

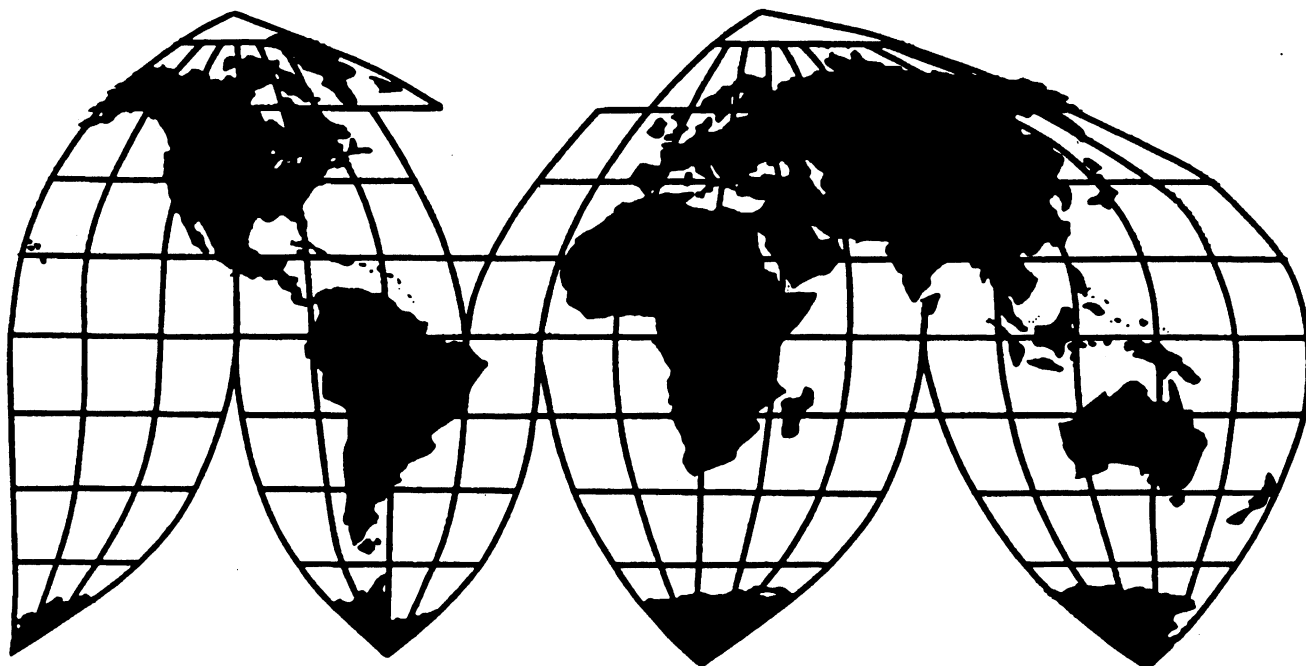
Certain Circular Welded Carbon Quality Line Pipe: Monitoring Developments in the Domestic Industry

Investigation No. TA-204-5

Publication 3450

September 2001

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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PREFACE

On March 15, 2001, the Commission instituted investigation No. TA-204-5 under section 204(a)(2) of the Trade Act of 1974 (19 U.S.C. § 2254(a)(1)) (the Act) for the purpose of preparing a report to the President and the Congress on the results of its monitoring of developments with respect to the domestic welded line pipe industry since the President imposed a tariff on welded line pipe effective March 1, 2000. Section 204(a)(1) of the Act requires that the Commission, so long as any action taken under section 203 of the Act remains in effect, monitor developments with respect to the domestic industry, including the progress and specific efforts made by workers and firms in the domestic industry to make a positive adjustment to import competition. Section 204(a)(2) requires that whenever the initial period of an action under section 203 of the Act exceeds 3 years, the Commission shall submit a report on the results of the monitoring under section 204(a)(1) to the President and the Congress not later than the mid-point of the initial period of the relief, or by August 30, 2001, in this case.

Section 201(b)(1) of the Trade Act states that a positive adjustment to import competition occurs when (A) the domestic industry (i) is able to compete successfully with imports after actions taken under section 204 terminate, or (ii) the domestic industry experiences an orderly transfer of resources to other productive pursuits; and (B) dislocated workers in the industry experience an orderly transition to productive pursuits.

Section 201(b)(2) states that the domestic industry may be considered to have made a positive adjustment to import competition even though the industry is not of the same size and composition as the industry at the time the investigation was instituted under section 202(b).

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Company Abbreviations

U.S. producers

American	American Cast Iron Pipe Co., American Steel Pipe Div.
California	California Steel Industries, Inc.
Geneva	Geneva Steel Co., LLC
IPSCO	IPSCO Tubulars, Inc..
Lone Star	Lone Star Steel Co.
LTV	LTV Copperweld, Pipe and Conduit Div.
Maverick	Maverick Tube Corp.
Newport	Newport Steel Corp.
Northwest	Northwest Pipe Co.
Prudential	Prudential Steel, Inc.
Sawhill	AK Steel Corp., Sawhill Tubular Products
Stupp	Stupp Corp.
Tex-Tube	Tex-Tube Co.
Texas Tubular	Friedman Industries, Texas Tubular Products Div.
U.S. Steel	USX Corp., U.S. Steel Group
Wheatland	Wheatland Tube Co.

U.S. importers

* * * * *

U.S. purchasers

* * * * *

Foreign producers

Borusan Birlesik	Borusan Birlesik Boru Fabrikalari A.S.
CA Conduven	CA Conduven
Corus Group	Corus Group plc
Dongbu	Dongbu Steel Co., Ltd.
Hyundai	Hyundai Hysco
Kawasaki	Kawasaki Steel Corp.
Mannesmann	Mannesmann Line Pipe GmbH
Mannesmann Boru	Mannesmann Boru Endustri T.A.S.
Nippon	Nippon Steel Corp.
NKK	NKK Corp.
SeAH	SeAH Steel Corp.
Shinho	Shinho Steel Co., Ltd.
Sumitomo	Sumitomo Metal Industries, Ltd.

Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

EXECUTIVE SUMMARY

BACKGROUND

- On February 18, 2000, following an affirmative determination of serious injury by the Commission¹ under section 202 of the Trade Act of 1974, the President implemented a safeguard action to facilitate efforts by the welded line pipe industry to make a positive adjustment to import competition. This monitoring investigation was instituted by the Commission under section 204(a)(2) of the Trade Act of 1974 for the purpose of preparing a mid-point report to the President and the Congress regarding developments with respect to the welded line pipe industry since the imposition of import relief.
- Presidential Proclamation 7274 implemented relief action in the form of an increase in duties, effective March 1, 2000, for a period of 3 years and 1 day. The principal provisions of the proclamation included an increase in duty of 19 percent *ad valorem* in the first year of relief, declining to 15 and 11 percent *ad valorem* in the second and third years, respectively; exemption of the first 9,000 short tons of imports of welded line pipe from each supplying country each year; exclusion from the relief action of product of Canada or Mexico; and suspension of duty-free treatment for welded line pipe that is the product of beneficiary countries under the Generalized System of Preferences (GSP), the Caribbean Basin Economic Recovery Act (CBERA), and the Andean Trade Preference Act (ATPA), as well as the product of Israel under the United States-Israel Free Trade Area Implementation Act of 1985 (IFTA Act).
- The subject product includes welded carbon quality line pipe of circular cross section, of a kind used for oil and gas pipelines, whether or not stenciled, and not more than 16 inches (406.4 mm) in outside diameter (OD), and excludes goods commonly described in commercial usage as arctic grade line pipe.
- The Commission's monitoring investigation collected data for the period 1998 through March 2001.

IMPACT OF RELIEF ACTION ON IMPORTS

- In the 12-month period since the imposition of import relief (March 2000-February 2001), imports of welded line pipe from covered countries decreased by over 100,000 short tons, or more than half, when compared to the prior 12-month period. Imports of welded line pipe not exceeding the 9,000 ton exemption totaled less than 75,000 short tons. Imports of the subject product in excess of the 9,000 ton exemption in the aggregate accounted for more than 20,000 short tons from three sources: Germany, Korea, and Taiwan.
- As shares of total imports, imports of the subject product from Canada accounted for approximately 3 percent in 1998 and 10 percent in 2000; imports of the subject product

¹ Vice Chairman Marcia E. Miller and Commissioners Jennifer A. Hillman and Stephen Koplan found serious injury. Chairman Lynn M. Bragg and Commissioner Thelma J. Askey found a threat of serious injury. Commissioner Carol T. Crawford made a negative determination.

from Mexico accounted for approximately 15 percent in 1998 and approximately 30 percent in 2000.

- Korean respondents argued that the doubling of the share of line pipe imports by product from Canada and Mexico constitutes a surge that has undermined the effectiveness of the import relief action, and that the Commission should recommend to the President that Canada and Mexico be included in the action. Petitioners argued that the vast majority of market share lost by imports from covered countries went to domestic producers, that imports from Canada and Mexico have entered the United States at higher prices since the imposition of import relief, and that there is no need for the action to be modified at this time.

U.S. DEMAND

- The demand for welded line pipe is primarily derived from the demand for pipelines, mainly those used for natural gas. Since March 1, 2000, both energy prices and drilling activity have increased. The average price of natural gas at the wellhead was an estimated \$2.30 per thousand cubic feet in February 2000, and increased to \$5.84 per thousand cubic feet in February 2001. In response, drilling activity in the United States for natural gas increased from an average of 616 rotary drilling rigs in operation in February 2000 to 913 in March 2001. Since March 2000, oil prices and the number of oil wells drilled have increased, though at a slower rate than natural gas prices and drilling activity.
- Demand for welded line pipe is also dependent on overall economic activity. From March 2000 through March 2001, the value of construction put in place in the United States was highest in the summer and autumn months. Construction value declined irregularly to a low in July 2000, and has since increased slightly.
- Most domestic producers reported that demand for line pipe has declined, or first increased, then declined, since March 1, 2000. Domestic producers generally reported a decrease in demand for line pipe in the first half of 2001, and forecast modest improvements at best for the remainder of 2001.
- Data gathered by the Commission during this investigation indicate that apparent U.S. consumption of line pipe was slightly higher in 2000 than in 1999, but was nearly 25 percent lower in the first quarter of 2001 than in the first quarter of 2000. Possible factors contributing to a decline in domestic demand for line pipe include a general economic slowdown of the U.S. economy, a slight decline in the seasonally adjusted value of new construction, and increased imports of standard and structural pipe.

ADJUSTMENT EFFORTS

- During the section 201 investigation, the domestic welded line pipe industry submitted to the Commission its proposals for competitive adjustment, comprised of firm-specific efforts to compete if the industry were to receive import relief.

- In general, approximately \$33 million, or 53 percent, of the \$63 million in planned investments reported by U.S. producers in their adjustment plans for the period 2000-01, had been completed by May 2001.
- During 2000-01, improving productivity/efficiency and quality accounted for 59 percent of total investments, expanding product lines accounted for 27 percent, and lowering costs accounted for 13 percent of the total.

CONDITION OF THE U.S. INDUSTRY

- Between 1998 and 1999, the share of the U.S. market held by U.S. producers remained stable. Apparent U.S. consumption, however, declined by 12.3 percent. U.S. producers' output and sales volumes fell markedly, as did prices, resulting in declines in most of the domestic industry's trade and financial performance indicators.
- Three U.S. producers – Maverick, Prudential, and IPSCO – opened new pipe facilities in 1999 and 2000, during which time a fourth producer – Northwest – achieved API certification. One U.S. producer – LTV – shut down a welding line in 1999. Overall, the domestic industry's capacity was substantially greater than U.S. production and apparent consumption in both 1999 and 2000, reflecting domestic capacity growth and declining apparent U.S. consumption.
- From 1999 to 2000, after the imposition of import relief, most indicators of performance showed improvement: capacity utilization increased by 14.1 percentage points, U.S. shipments (quantity) increased by 17.9 percent, domestic industry market share (based on quantity) increased by 10.7 percentage points, unit values of U.S. shipments increased by approximately 13 percent, operating income (and unit operating income) went from losses to positive income, the ratio of cost of goods sold to sales decreased by 10.6 percentage points and the ratio of operating income to sales increased by 12.2 percentage points, the number of workers increased by 13.9 percent, hourly wages increased by 4.8 percent, and productivity improved by 15.5 percent.
- Comparing January-March 2000 with January-March 2001, U.S. industry performance generally declined, but average unit values and the ratio of operating income to sales registered slight increases.

PRICING

- Trends.--In general, domestic prices declined throughout 1998 and into 1999. Of the six specific products for which the Commission gathered pricing information, average prices for four products reported by domestic producers increased through mid-2000, and have since fallen slightly. The average prices of the remaining two products were higher in the first quarter of 2001 than in any period since 1998. Prices for all covered imports in the aggregate generally exhibited similar trends, but remained at lower levels than prices for comparable domestic products.
- Comparisons.--Imported line pipe undersold the comparable domestic product in 42 of 47 comparisons through the first quarter of 2000, and in each of the 20 instances in which comparisons could be made since the first quarter of 2000.

FOREIGN INDUSTRIES

- Thirteen firms in six covered countries provided information to the Commission regarding their welded line pipe operations.
- In general, the firms operated their plants at less than two-thirds of capacity, declining during 1998-2000 to an approximate 57 percent capacity utilization rate, with unused capacity increasing to more than 355,000 short tons in 2000, or by approximately 12 percent, since 1998.

PART I: INTRODUCTION

BACKGROUND

On June 30, 1999, a petition under section 202 of the Trade Act of 1974 (the Act) was properly filed by Geneva Steel Company, Vineyard, UT; IPSCO Tubulars, Inc., Camanche, IA; Lone Star Steel Company, Dallas, TX; LTV Steel Tubular Products Company, Youngstown, OH;¹ Maverick Tube Corporation, Chesterfield, MO; Newport Steel Corporation, Newport, KY; Northwest Pipe Company, Portland, OR; Stupp Corporation, Baton Rouge, LA; and the United Steelworkers of America, AFL-CIO, Pittsburgh, PA. The petition alleged that circular welded carbon quality line pipe (“welded line pipe”) was being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. Following receipt of a report from the Commission in December 1999 under section 202 of the Act (19 U.S.C. § 2252) containing an affirmative determination and remedy recommendations, the President, on February 18, 2000, pursuant to section 203 of the Act (19 U.S.C. § 2253), issued Proclamation 7274 imposing import relief in the form of a tariff on imports of welded line pipe² for a period of 3 years and 1 day, effective March 1, 2000.³ The report in this investigation, required under section 204(a) of the Act, provides the results of the Commission’s monitoring of developments with respect to the welded line pipe industry since the imposition of import relief. Information relating to the background of the investigation is presented in the tabulation that follows.

Effective date	Action	Federal Register citation ¹
June 30, 1999	Petition properly filed with the Commission; Commission institutes investigation No. TA-201-70	64 FR 42414, August 4, 1999
October 28, 1999	Commission amends scope of the investigation to exclude arctic-grade line pipe	64 FR 60831, November 8, 1999
December 22, 1999	Commission’s findings and recommendations transmitted to the President	64 FR 73575, December 30, 1999
March 1, 2000	Proclamation 7274 issued by the President imposing additional tariffs on the subject product	65 FR 9193, February 23, 2000
March 15, 2001	Institution of investigation No. TA-204-5: Monitoring developments in the domestic industry since relief action	66 FR 16066, March 22, 2001

–Continued on next page.

¹ In November 1999, the LTV Corp. purchased Copperweld Corp., Copperweld Canada, Inc., and Welded Tube Co. of America, forming LTV Copperweld as a combination of these purchased companies and LTV Steel Tubular Products (retrieved on May 30, 2001, at <http://yahoo.marketguide.com/mgi>).

² Includes welded carbon quality steel line pipe of circular cross section, of a kind used for oil and gas pipelines, whether or not stenciled, and not more than 16 inches (406.4 mm) in outside diameter OD. This investigation excludes goods commonly described in commercial usage as arctic grade line pipe. The subject products are classified in subheadings 7306.10.10 and 7306.10.50 of the Harmonized Tariff Schedule of the United States (HTS). For a detailed description of the product subject to investigation, see *The Subject Product* section on page I-2 of this report.

³ Line pipe that is the product of Canada or Mexico is excluded from the relief action. For a detailed description₋₁ of the President’s relief action, see the *Import Relief Action* section on page I-12 of this report.

Effective date	Action	Federal Register citation ¹
June 28, 2001	Commission's hearing ²	N.A.
August 30, 2001	Commission's report transmitted to President and Congress	N.A.
¹ Federal Register notices cited in the tabulation since the amendment of the scope of investigation in the original section 201 investigation are presented in app. A. ² A list of witnesses appearing at the hearing is presented in app. B.		

THE WTO LINE PIPE PROCEEDINGS

In mid-2000, Korea announced it would challenge the U.S. line pipe safeguard measure and underlying Commission injury determination under the World Trade Organization dispute settlement procedures. Consultations were held in July 2000, and a panel was formed in January 2001. The first and second rounds of written submissions have been filed and substantive panel meetings have been completed. The panel is expected to make its final ruling in October 2001.⁴

SUMMARY DATA

A summary of data collected in the investigation is presented in appendix C. U.S. industry data are based on the questionnaire responses of U.S. producers. U.S. import data are based on official Commerce statistics, adjusted to exclude imports of arctic grade and alloy line pipe from Japan. Also included in appendix C are summary data relating to imports that have only been adjusted to exclude alloy line pipe from Japan. These tables have been generated to maximize the amount of available data for public consideration.

THE SUBJECT PRODUCT

The imported welded line pipe subject to this investigation does not exceed 16 inches (406.4 mm) in OD, and includes:⁵

welded carbon quality line pipe of circular cross section, of a kind used for oil and gas pipelines, whether or not stenciled, except as provided below. The term "carbon quality" applies to products in which (i) iron predominates, by weight, over each of the other contained elements, (ii) the carbon content is 2 percent or less, by weight, and (iii) none of the elements listed below exceeds the quantity by weight, respectively indicated:

- ◆ 1.80 percent or more of manganese, or
- ◆ 2.25 percent of silicon, or
- ◆ 1.00 percent of copper, or
- ◆ 0.50 percent or less of aluminum, or
- ◆ 1.25 percent of chromium, or

—Continued on next page.

⁴ United States - Definitive Safeguard Measures on Imports of Circular Welded Carbon Quality Line Pipe from Korea (DS 202).

⁵ Annex to Presidential Proclamation 7274 (65 FR 9195, February 23, 2000; contained in app. A).

- ◆ 0.30 percent of cobalt, or
- ◆ 0.40 percent of lead, or
- ◆ 1.25 percent of nickel, or
- ◆ 0.30 percent of tungsten, or
- ◆ 0.10 percent of molybdenum, or
- ◆ 0.10 percent of niobium, or
- ◆ 0.15 percent of vanadium, or
- ◆ 0.15 percent of zirconium.

[The subject product] *does not include goods commonly described in commercial usage as arctic grade line pipe and defined as welded line pipe that—*

- (a) *has an outside diameter of 114.3 mm or more and a wall thickness equal to or less than 19.05 mm;*
- (b) *when subjected to a Charpy V-notch test performed at minus 45.6 degrees Celsius or below applied to three specimens taken from the weld area, has a joules rating of no less than 23.05 joules for each sample, with an average for all three at no less than 25.76 joules;*
- (c) *using at least three samples, has a minimum average shear area of 85 percent in the base metal and 50 percent in the weld; and*
- (d) *when subjected to a hydrogen induced cracking test to be performed as provided by National Association of Corrosion Engineers (NACE) TM0284 test with solution A, has a crack length ratio that does not exceed 15 percent, a crack sensibility ratio that does not exceed 2 percent, and a crack thickness ratio that does not exceed 5 percent.*

LIKE OR DIRECTLY COMPETITIVE DOMESTIC PRODUCT

In its original safeguards investigation, the Commission found that “domestically produced line pipe is ‘like’ the imported line pipe covered by the scope of the investigation, and that there is one domestic like product consisting of the various grades of line pipe.”⁶ This section of the report presents information on both imported and domestically produced welded line pipe, as well as information related to the Commission’s “like or directly competitive” product determination.⁷

Physical Properties and Uses

Welded line pipe subject to this investigation is made from “carbon quality” steel. Carbon quality steel includes all carbon steels, including those that have been modified through the addition of small amounts of alloying elements that may exceed the individual weight limits for nonalloy steels

⁶ *Circular Welded Carbon Quality Line Pipe*, Inv. No. TA-201-70, USITC Publication 3261, December 1999, p. I-12.

⁷ In determining what constitutes the like or directly competitive domestic product, the Commission traditionally has taken into account such factors as the physical properties of the product, its customs treatment, its manufacturing process (e.g., whether products are manufactured in separate facilities), its uses, and the marketing channels through which the product is sold (Id., p. I-10).

specified in the HTS.⁸ Welded line pipe subject to this investigation is a circular pipe product not exceeding 16 inches (406.4 mm) in OD, irrespective of wall thickness, and is most commonly sold in “double random lengths.”⁹ Welded line pipe generally has either a black (lacquered) finish or bare surface finish. Welded line pipe is lacquered to protect the pipe from rust, which is especially important for ocean transport or for storage in humid climates. Most coating of domestically produced pipe is now performed at a coating facility rather than in the field.¹⁰ End finishes include plain end, which may be either square cut or beveled for welding, threaded ends, or threaded and coupled, as well as other special end finishes; however, most welded line pipe is not threaded or coupled; rather it has a beveled end for welding in the field.¹¹

Welded line pipe is used for the transmission of gas, oil, or water, generally in pipeline or utility distribution systems.¹² The American Gas Association (AGA) has defined the systems requiring line pipe as follows:¹³

Distribution: Generally, mains, services, and equipment which carry or control the supply of gas from the point of local supply to and including the sales meters.

Field and gathering: A network of pipelines (mains) transporting natural gas from individual wells to compressor station, processing point, or main trunk pipeline.

Main: The network of distribution piping to which customers’ service lines are attached. Generally, large pipes are laid in principal streets with smaller laterals extending along side streets and connected at their ends to form a grid; sometimes laterals are brought to dead ends.

Transmission: Pipelines (Mains) installed for the purpose of transmitting gas from a source or sources of supply to one or more distribution centers, or to one or more large volume customers, or a pipeline installed to interconnect sources of supply. In typical cases transmission lines differ from gas mains in that they operate at higher pressures, are longer, and the distance between connections is greater.

The subject product includes all pipe of a kind used in oil and gas pipelines, whether or not stenciled, and includes all multi-stenciled pipe with an American Petroleum Institute (API) line pipe stencil. A “stencil” is information marked by the manufacturer with paint stenciled on the outside surface¹⁴ of the pipe indicating the specification in conformance with which it has been manufactured. The API 5L specification for line pipe indicates that the markings should identify the manufacturer’s

⁸ Such products would in many cases fall into HTS categories for “other alloy steel” pursuant to note 1(f) to chapter 72. The HTS defines “stainless steel” and “other alloy steel,” so other products can generally be thought of as nonalloy; the HTS does not use or define “carbon steel” or “carbon quality” at the legal level.

⁹ Nominal 40-45 foot lengths are referred to by the industry as “double random lengths” or “DRL.”

¹⁰ Staff conversation with ***, September 9, 1999.

¹¹ Petition, p. 4.

¹² According to petitioners, 90 percent of all products that are carbon quality and stenciled to an API specification are used in oil and gas pipelines and for gathering lines in oil and gas fields. See petition, p. 3.

¹³ *Gas Facts 2000*, American Gas Association, 1999 data, p. 114.

¹⁴ The purchaser and manufacturer can agree to put all or part of the markings on the inside surface of the pipe. Pipe that is 1-1/2 inches and smaller has the identification markings die-stamped on a metal tag fixed to the bundle or printed on the straps or binding clips used to tie the bundle.

name, specification (“Spec 5L”), size and weight designation, grade and class (e.g., A25, A, B, and X42 through X80), process of manufacture (seamless pipe, welded pipe, or continuous welded pipe), heat treatment, and test pressure. The API 5L specification also suggests that “products in compliance with multiple compatible standards may be marked with the name of each standard.”¹⁵ Information gathered during the section 201 safeguard investigation indicates that the U.S. Customs Service classifies any multiple-stenciled product that includes an API line pipe stencil as pipe used for oil or gas pipelines.¹⁶

Welded line pipe for use in oil and gas pipelines is generally produced to API specifications, which require higher hydrostatic test pressures and more restrictive weight tolerances than standard pipe. Pipe that is in conformance with API Spec 5L Grade B is also automatically in conformance with the less restrictive standard pipe specification of the American Society for Testing and Materials (ASTM) A53 Grade B.¹⁷ As a consequence, manufacturers often mark such product with both specifications (“dual stenciled”) so that it may be applied for either use.¹⁸ Product may also be simultaneously in conformance with both Grade B and Grade X42 of the API 5L specification; in fact, most line pipe used in the United States meets the specifications of both Grades B and X42.¹⁹ Such product may be marked with API 5L Grade B, API 5L Grade X42, and ASTM A53 Grade B (“triple stenciled”). Finally, some standard pipe customers require product marked as being in compliance with the American Society of Manufacturing Engineers (ASME) AS53,²⁰ which is identical to ASTM A53; including this information can result in a quad stencil.

In some instances, welded line pipe may be used in applications that require special properties in addition to or in place of the API Spec 5L requirements. Examples of such applications include sour gas, sour oil, or sour environment,²¹ and extreme low-temperature environment. In such cases, line pipe is produced to special proprietary specifications. Welded line pipe produced for sour environments requires exceptionally clean, low-carbon steel to resist sulfide stress-cracking. The incidence of stress-cracking depends on several interacting factors, including the chemical composition, strength, heat treatment, and microstructure of the metal; pH levels; hydrogen sulfide concentration and total pressure; total tensile strength; temperature; and time.²²

¹⁵ American Petroleum Institute, *Specification for Line Pipe: API Specification 5L*, April 1, 1995, pp. 52-53.

¹⁶ Petition, pp. 2-3. Maurice Pincoff’s response to Commissioner Crawford’s questions, October 11, 1999.

¹⁷ ASTM A-53 covers seamless and welded black and hot-dipped galvanized steel pipe intended for mechanical and pressure applications and that is also acceptable for ordinary uses in steam, water, gas, and air lines.

¹⁸ *Specifications for Line Pipe: API Specification 5L*, 41st ed., American Petroleum Institute (Washington, DC: 1995), pp. 7, 15-23, and 35, and *1995 Annual Book of ASTM Standards*, vol. 01.01 (Philadelphia, PA: 1995), pp. 3 and 10-12.

¹⁹ Transcript of the section 201 injury hearing, p. 64.

²⁰ ASME AS53 is a standard identical to ASTM A53 (October 13, 1999, telephone interview with ***). Certification to ASME standards is required for some construction projects.

²¹ Sour gas and sour oil refer to gas or oil containing free sulfur, hydrogen sulfide (H₂S), or other sulfur compounds in excess of 1 percent (for oil) or 10 grains of H₂S or 200 grains of total sulfur per 1,000 cubic feet (for gas). Sour environment refers to fluids containing water as a liquid and H₂S. American Petroleum Institute, “S’ Index,” found at Internet address <http://www.api.org/pidex/Library/PIDD/pages/s.htm>, retrieved September 2, 1999.

²² *Id.*

Manufacturing Process and Facilities

Welded line pipe is most commonly manufactured by the electric resistance weld (ERW)²³ process; however, the continuous-weld (CW)²⁴ process can be used for pipe up to 4.5 inches (114.3 mm) in OD. The manufacture of welded line pipe by the ERW process begins with coils of hot-rolled sheet steel,²⁵ which are cut by a slitting machine into strips of the precise width needed to produce a desired diameter of pipe. The slit coils are fed into the tube mills, which cold-form the flat ribbon of steel into a tubular cylinder by a series of tapered forming rolls. The product is then welded along the joint axis. The welded tube then passes under a tool which removes the outside flash resulting from the pressure during welding. Inside flash is likewise removed by cutting tools. The tube is then subjected to such post-weld heat treatment as is required. Such treatment may involve heat treatment of the welded seam only or treatment of the full cross-section of the pipe. After heat treatment, sizing rolls shape the tube to accurate diameter tolerances. The product is cooled and then cut at the end of the tube mill by a flying shear or saw.²⁶

Welded line pipe, large-diameter line pipe, standard and structural pipe, and oil country tubular goods (OCTG) can be produced on the same equipment by the same production workers. Fifteen of 16 U.S. producers of welded line pipe that responded to the Commission's questionnaire reported such common production lines.²⁷ Foreign producers indicated that they produce the subject welded line pipe along with large-diameter line pipe, OCTG, and standard and structural pipe, among others, on the same equipment.²⁸ Table I-1 presents available information relating to domestic and foreign producers' subject product production capabilities.

²³ Electric resistance welding is a process where the strip edges are mechanically pressed together and welded. The heat for welding is generated by resistance of the steel to the flow of electric current. In one process, a low frequency (typically 60 to 360 hertz) is conducted to the strip edges by a pair of copper alloy discs which rotate as the pipe is propelled under them. A second variation uses high frequency current (in the range of 400 to 500 kilohertz) which enters the tubing through shoes which act as sliding contacts. An induction coil can also be used with the high frequency current to induce current in the edges of the steel. No direct contact between the induction coil and the tubing is required. American Iron and Steel Institute, *Steel Products Manual Steel-Specialty Tubular Products*, October 1980, pp. 19-20.

²⁴ Continuous welding is a process of forming a seam by heating the steel in a furnace and mechanically pressing the formed edges together as it passes through a series of round welding rolls. Successive coils are joined together to provide a continuous flow of steel to the welding mill. This process is also known as continuous butt welding. Steel for the manufacture of CW pipe is sometimes called "skelp." According to the API line pipe specification, only grade A25 can be manufactured using the CW process. According to industry representatives, CW line pipe makes up a small portion of the welded line pipe market. Staff conversation with ***, September 9, 1999.

²⁵ Steel that is more than 0.1875 inch in thickness if over 48 inches in width, or more than 0.230 inch in thickness if 48 inches or under in width, may be called "plate in coils."

²⁶ United States Steel, "Manufacture of Steel Tubular Products," chapter in *The Making, Shaping, and Treating of Steel*, 10th ed. (Pittsburgh, PA: Herbick & Held, 1985), p. 1,029.

²⁷ See the tabulation at p. IV-3 for a presentation of data on U.S. producers' capacity and production for all products using common production lines.

²⁸ See Part VI for country-specific presentations of data on foreign producers' capacity and production for all products using common production lines.

Table I-1
Welded line pipe: Producers' production capabilities, by country and specifications

Country/firm	Size (inches OD)	Wall thickness (inches)	Length (feet)	API spec./grades
UNITED STATES:				
American	10.75 - 16	.188 - .500	20 - 80	API 5L B, X42-X80
California	4 ½ - 16	.134 - .500	21 - 60	API 5L B, X42-X70
Geneva	6 5/8 - 16	.188 - .375	40 - 60	API 5L B, X42-X70
IPSCO	1.9 - 8.625	.109 - .322	20 - 60	API 5L B, X42-X65
Lone Star	2 3/8 - 16	.125 - .650	21 - 60	API 5L B, X42-X80
LTV	4 ½ - 16	.125 - .500	25 - 61	API 5L X42-X65
Maverick	2.375 - 16	.154 - .500	21 - 75	API 5L X42-X60
Newport	4 ½ - 16	.156 - .500	40 - 60	API 5L B, X42-X52
Northwest	2 3/8 - 6 5/8	.125 - .280	40 - 60	API 5L B, X42-X52
Prudential	2.375 - 10.75	.125 - .375	21 - 60	API 5L B, X42-X60
Sawhill	.840 - 4.5	.850 - .237	21 - 42	API 5L A25, B
Stupp	10 3/4 - 16	.250 - .562	21 - 85	API 5L B, X42-X70
Tex-Tube	2 7/8 - 8 5/8	.203 - .322	21 - 56	API 5L B, X42-X60
Texas Tubular	4 ½ - 8 5/8	.156 - .322	38 - 45	API 5L X42
U.S. Steel	8 5/8 - 16	.188 - .400	22 - 80	API 5L B, X42-X70
Wheatland	½ - 4	.133 - .237	18 - 25	API 5L A25
JAPAN:				
Kawasaki	.839 - 16	.106 - .750	18 - 66	API 5L A, B, X42-X80
Nippon	4.5 - 16	.080 - .630	29.6 - 60.9	API 5L B, X42-X80 and above
NKK	1.6 - 16	.079 - .752	13 - 60	API 5L B, X42-X80
Sumitomo	.75 - 16	.047 - .750	20 - 60	API 5L B, X42-X70
KOREA:				
Dongbu	5 - 16	.170 - .500	20 - 40.2	API 5L B, X42-X56
Hyundai	2.375 - 16	.083 - .625	10 - 40.2	API 5L A, B, X42-X70
SeAH	½ - 16	.109 - .375	21 - 42	API 5L B, X42-X70
Shinho	2.375 - 16	.109 - .688	20 - 60	API 5L B, X42-X80
OTHER COUNTRIES/FIRMS:				
Germany–Mannesmann	8 5/8 - 16	.281 - .560	40 - 52	API 5L B, X42-X70
Turkey– Borusan Birlesik & Mannesmann Boru	½ - 12	.079 - .375	20 - 42	API 5L B, X42-X56
U.K.–Corus Group	1.660 - 16	.140 - .866	20 - 41	API 5L B, X42-X70
Venezuela–CA Conduven	2.375 - 16	.083 - .438	20 - 100	API 5L B, X42-X65
Source: Compiled from data submitted in response to Commission questionnaires and available company websites.				

Interchangeability and Customer and Producer Perceptions

As indicated in the section 201 investigation, foreign-produced welded line pipe generally is interchangeable with U.S.-produced welded line pipe, and possesses the same or similar qualities. Welded line pipe is imported within the same range of grades and sizes and generally is used by the same end users for the same end uses as the domestic product. For most welded line pipe, there does not appear to be a high degree of differentiation between foreign and U.S.-produced welded line pipe based on the type of production process or on the basis of quality. Most foreign mills use the ERW process to manufacture welded line pipe and can produce other tubular products on the same production equipment used to manufacture welded line pipe.

During the current investigation, the Commission has gathered additional information relating to U.S. shipments of welded line pipe by grade, and the data are presented in table I-2. The majority of U.S. producers' U.S. shipments of welded line pipe were in the API 5L B, and X42-X56 grades during 1998-2000, while shipments of imports from covered countries were concentrated in the API 5L B and X42 grades. Although both U.S. producers and foreign producers in Japan reported the capability to produce an API 5L X80 grade of welded line pipe, no shipments of this grade were reported from any source during 1998-2000.

High-Frequency-Induction Welded Deepwater Line Pipe

During the section 201 investigation, the Commission determined that high-frequency-induction (HFI) welded deepwater line pipe over 6 inches in diameter should not be excluded from the scope of investigation. During the current investigation, counsel for the German respondent, Mannesmann, urged the Commission to reconsider its determination and exclude HFI welded deepwater line pipe on the grounds that: (1) the domestic industry does not produce HFI line pipe that meets the specifications of the major deepwater oil and gas producers; (2) domestically produced HFI line pipe is not currently available for deepwater use; and (3) the current relief action has caused unnecessary burdens for major U.S. oil and gas producers.²⁹ All of the subject imports from Germany during 1998 through March 2001 were HFI welded deepwater line pipe over 6 inches in OD.^{30 31} U.S. producers Lone Star and Stupp have reported that they produce deepwater welded line pipe using high frequency ERW, are qualified suppliers to virtually every major oil company operating in the Gulf of Mexico, and are active in furnishing

²⁹ Mannesmann posthearing brief, pp. 1-2. Counsel further argues that even if domestic producers produced HFI line pipe it would still require up to one year to qualify for deepwater use, domestically produced HFI line pipe is not currently available for deepwater use, and Mannesmann's customers will not accept contact welded ERW as a substitute for Mannesmann HFI line pipe. *Id.*

³⁰ Mannesmann prehearing brief, p. 3.

³¹ HFI deepwater welded line pipe is reportedly produced and/or promoted by Maverick in Canada (July 6, 2001, petitioners' posthearing brief, exh. 3), Corus in the United Kingdom, Japanese producers (July 6, 2001, Mannesmann posthearing brief, app. B), and Corinth Steel in Greece (July 31, 2001, e-mail from ***). ***.

Table I-2

Welded line pipe: Shares of U.S. producers' and importers' total U.S. shipments, by grades, 1998-2000

Item	U.S. producers			Covered countries		
	1998	1999	2000	1998	1999	2000
Share of total shipments (percent)						
A & A25	***	***	***	(¹)	(¹)	(¹)
B-X42	31.6	36.8	37.0	85.7	96.2	85.1
X46-56	33.8	32.1	41.7	0.5	(¹)	1.6
X60-70	***	***	***	13.8	3.8	13.3
X80 +	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Other ²	***	***	***	(¹)	(¹)	(¹)
Total	100.0	100.0	100.0	100.0	100.0	100.0
Unit value (per ton)						
A & A25	\$457	\$402	\$460	(¹)	(¹)	(¹)
B-X42	507	435	490	\$426	\$358	\$415
X46-56	493	407	488	485	(¹)	511
X60-70	592	508	542	583	457	589
X80 +	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Other ²	408	363	335	(¹)	(¹)	(¹)
Total	511	432	481	448	362	440
¹ None reported; not applicable. ² With respect to U.S. producers' shipments, the data include product with military specifications, and secondary and salvage product. Source: Compiled from responses to Commission questionnaires.						

line pipe for offshore applications.³² Maverick has begun the process of becoming a qualified supplier to major oil companies with its new HFI mills.^{33 34 35}

³² Hearing transcript (TR), pp. 92-93; and July 6, 2001, petitioners' posthearing brief, p. 11.

³³ Maverick now has a mill in Longview, WA, that makes 2 3/8 inch to 10 3/4 inch HFI pipe; its new 16-inch mill, which it purchased from EXL Tube in Kansas City and moved to Hickman, AR, is an HFI mill (July 6, 2001, petitioners' posthearing brief, p. 11).

³⁴ *** has also reported that, according to ***, there is no difference in the quality or performance of HFI or ERW technology (***). In addition, *** also reported that "*** specifying induction-welded pipe; *** and our other end user customers (and ***) have never found an advantage." *** producer questionnaire response, section II-12.

³⁵ Stupp has testified that it believes that the difference between induction- and contact-welding is "a marketing issue. There is contact welding and induction welding. The key thing, it has to be high frequency. It is simply a method of delivering that high frequency. It's either done with an induction coil or it's done with contacts into the

(continued.I.)

Data regarding U.S. shipments of offshore/deepwater welded line pipe are presented in table I-3. The data indicate that U.S. producers have increased their share of total offshore/deepwater line pipe shipments during 1998-2000, accounting for more than half of such shipments during 2000, with average unit values exceeding those of imports from Germany that year.

Table I-3
Welded line pipe: U.S. shipments of offshore/deepwater product, 1998-2000

* * * * *

Marketing Channels

Table I-4 presents the channels of distribution of welded line pipe by sources. As shown, the majority of U.S.-produced product, and imports of product from covered countries, was shipped to the distributor/service center market throughout the period 1998-2000.

Customs Treatment

U.S. imports of welded line pipe are subject to import duties (tariffs) as provided by the HTS. The 1998-2001 column 1-general rates of duty for the subheadings covered by this investigation are as follows (in percent *ad valorem*):

<u>Tariff provision (HTS)</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Line pipe of a kind used for oil or gas pipelines:				
7306.10.10--				
Of iron or nonalloy steel	1.1	1.0	0.8	0.6
7306.10.50--				
Of alloy steel	2.9	2.4	2.0	1.5

The rates of duty are subject to staged reductions to an eventual rate of “free” as of January 1, 2004, as provided for in Presidential Proclamation 6763 (annex D(1)) implementing the Uruguay Round concessions.

The rate of duty under the North American Free Trade Agreement (NAFTA) for qualifying welded line pipe comprising goods from Canada under both of the above subheadings is free; subject goods of Mexico can enter at the following 2001 duty rates: for subheading 7306.10.10, 0.3 percent *ad valorem*, and for subheading 7306.10.50, 0.9 percent *ad valorem*. Other special tariff programs provide duty-free entry to eligible products of Israel, of beneficiaries of the Caribbean Basin Economic Recovery Act (CBERA) and Andean Trade Preferences Act (ATPA), and of the least-developed beneficiary developing countries under the Generalized System of Preferences (GSP).

³⁵ (...continued)
weld area. We have done a great deal of research and the benefit is, as we have determined to this point, is not to the user, it is to the manufacturer in certain walls and diameters. So that if an investment is made in induction welding it is to benefit the provider of that product, not necessarily the customer.” TR, pp. 92-93. I-10

Table I-4

Welded line pipe: U.S. shipments to distributors/service centers and end users, and shares, 1998-2000

Item	Distributors/service centers				End users			
	1998	1999	2000	1998-2000	1998	1999	2000	1998-2000
	Quantity (short tons)							
Domestic product	411,938	394,799	486,397	1,293,134	233,807	176,104	192,464	602,375
Imported product from--								
Covered countries	171,641	126,575	70,070	368,286	4,948	4,200	20,657	29,805
Mexico ¹	4,819	6,282	5,426	16,527	1,801	1,842	2,086	5,729
Total	588,398	527,656	561,893	1,677,947	240,556	182,146	215,207	637,909
	Share of total shipments (percent)							
Domestic product	63.8	69.2	71.6	68.2	36.2	30.8	28.4	31.8
Imported product from--								
Covered countries	97.2	96.8	77.2	92.5	2.8	3.2	22.8	7.5
Mexico	72.8	77.3	72.2	74.3	27.2	22.7	27.8	25.7
Average, all sources	71.0	74.3	72.3	72.5	29.0	25.7	27.7	27.5
	Share of market segments (percent)							
Domestic product	70.0	74.8	86.6	77.1	97.2	96.7	89.4	94.4
Imported product from--								
Covered countries	29.2	24.0	12.5	21.9	2.1	2.3	9.6	4.7
Mexico	0.8	1.2	1.0	1.0	0.7	1.0	1.0	0.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<p>¹ Of the non-covered sources of imports, only importers of welded line pipe from Mexico provided responses to the Commission's questionnaires.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>								

Under the Presidential proclamation, which added U.S. note 10 and subheadings 9903.72.20 through 9903.72.25 of the HTS, imports entered up to 9,000 short tons for each supplying country are dutiable as set forth above, while additional duties are imposed on subsequent imports during each of the three 12-month relief periods established.³⁶

IMPORT RELIEF ACTION

Imports of line pipe are the subject of a U.S. safeguard action imposed by the President under section 203 of the Act following receipt of an affirmative injury determination and remedy recommendation from the Commission in December 1999. Presidential Proclamation 7274 implemented relief action in the form of an increase in tariffs, effective March 1, 2000, for a period of 3 years and 1 day.³⁷ The principal provisions of the proclamation are:

- 1) increased the rate of duty on the subject line pipe by 19 percent *ad valorem* in the first year of relief, declining to 15 and 11 percent *ad valorem* in the second and third years, respectively, with the first 9,000 short tons of imports from each supplying country exempted each year;
- 2) excluded subject line pipe that is the product of Canada and Mexico from the relief action, as the President determined that imports of line pipe from Canada and Mexico, considered individually, did not contribute importantly to the serious injury, or threat of serious injury, found by the Commission; and
- 3) suspended, for the duration of the relief action, duty-free treatment for the subject line pipe that is the product of beneficiary countries under the Generalized System of Preferences (GSP), the Caribbean Basin Economic Recovery Act (CBERA), and the Andean Trade Preference Act (ATPA); as well as subject line pipe that is the product of Israel under the United States-Israel Free Trade Area Implementation Act of 1985 (IFTA Act).

³⁶ Annex to Presidential Proclamation 7274 (65 FR 9195, February 23, 2000; contained in app. A).

³⁷ Proclamation 7274--*To Facilitate Positive Adjustment to Competition From Imports of Certain Circular Welded Carbon Quality Line Pipe*, 65 FR 9193, February 23, 2000.

PART II: THE U.S. MARKET

U.S. PRODUCERS

The Commission sent 45 questionnaires to firms believed to be producing welded line pipe and/or standard pipe during all or part of the period 1998 through March 2001. Sixteen of the firms provided data on their welded line pipe operations. Table II-1 presents each responding firm's position on the import relief action, share of reported production in 2000, production location, and parent company, where applicable. Four firms are owned in whole or in part by firms located outside of the United States. Companies responding to the Commission's questionnaire accounted for virtually all production of welded line pipe in the United States during 2000.

U.S. IMPORTERS

The Commission sent questionnaires to 66 firms believed to have imported welded line pipe during the period 1998 through March 2001, and received usable data from 31 firms that reported such imports. Companies responding to the questionnaire accounted for 57 percent of total imports during 2000 (based on official Commerce statistics).

Table II-1

Welded line pipe: U.S. firms, positions on the import relief action, shares of reported 2000 U.S. production, U.S. production locations, and parent companies

Firm	Position	Share of production (percent)	Production location	Parent company and country
American	***	***	Birmingham, AL	Not applicable
California	***	***	Fontana, CA	Kawasaki (Japan): ***%; CVRD (Brazil): ***%
Geneva	Petitioner	***	Vineyard, UT	Not applicable
IPSCO	Petitioner	***	Camanche, IA	IPSCO Tubulars (Canada)
Lone Star ²	Petitioner	***	Lone Star, TX	Lone Star Technologies (U.S.)
LTV	Petitioner	***	Youngstown, OH and Counce, TN	LTV Corp. (U.S.)
Maverick	Petitioner	***	Hickman, AR and Conroe, TX	Not applicable
Newport	Petitioner	***	Wilder, KY	NS Group, Inc. (U.S.)
Northwest	Petitioner	***	Portland, OR	Not applicable
Prudential	***	***	Longview, WA	Prudential Steel Ltd. (Canada)
Sawhill	***	***	Sharon, PA	AK Steel Corp. (U.S.)
Stupp	Petitioner	***	Baton Rouge, LA	Stupp Bros., Inc. (U.S.)
Tex-Tube ³	***	***	Houston, TX	Grupo Villacero (Mexico): ***% ⁴
Texas Tubular ⁵	***	***	Lone Star, TX	Friedman Industries, Inc. (U.S.)
U.S. Steel ⁶	***	***	McKeesport, PA	USX Corp. (U.S.)
Wheatland	***	***	Wheatland, PA	John Maneely Co. (U.S.)

¹ Represents ***.

² In addition to its own production operations, Lone Star has toll processing agreements with Tex-Tube and Texas Tubular. During 2000, such tolled product accounted for approximately *** percent of Lone Star's U.S. commercial shipments.

³ Tex-Tube produces the subject product under a toll processing agreement with Lone Star. ***.

⁴ Group Villacero's ownership interest is through its ***.

⁵ Texas Tubular produces the subject product for Lone Star *** (April 26, 2001, Texas Tubular producers' questionnaire response).

⁶ During 1998 through October 2000, the subject products were produced for U.S. Steel under a toll processing arrangement with Camp Hill Corp. in McKeesport, PA, whereby ***. In October 2000, U.S. Steel entered into a sales agreement with Lone Star, whereby U.S. Steel provides its toll-produced subject pipe to Lone Star for sales and distribution. (June 12, 2001, telephone interview with and e-mail from ***, U.S. Steel).

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. IMPORTS

Adjustments

U.S. imports of welded line pipe are based on official Commerce statistics and are presented in table II-2.¹ The data have been adjusted to exclude arctic-grade and alloy line pipe from Japan, and to include unreported imports of the subject product from Germany during 2000.

Excluded Products

Import data presented in table II-2 have been adjusted to exclude imports of arctic-grade and other alloy line pipe from Japan as indicated in the tabulation below:

Period	Arctic grade ¹			Alloy ¹		
	Quantity (short tons)	Value (\$1,000)	Unit value (per ton)	Quantity (short tons)	Value (\$1,000)	Unit value (per ton)
1994	***	***	***	0	0	(²)
1995	***	***	***	0	0	(²)
1996	***	***	***	0	0	(²)
1997	***	***	***	0	0	(²)
1998	***	***	***	11,244	7,000	\$623
1999	***	***	***	(³)	22	50,499
2000	***	***	***	3	11	3,792
Jan.-Mar.: 2000	***	***	***	3	11	3,792
2001	***	***	***	0	0	(²)

¹ Importers of the subject product from Japan were the only firms to report excluded product in response to the Commission's questionnaire.
² Not applicable.
³ Less than 0.5 short ton.

Source: Data relating to arctic-grade line pipe for 1994-97 are from the October 18, 1999 submission of Gibson, Dunn & Crutcher; and data for 1998-2000, Jan.-Mar. 2000, and Jan.-Mar. 2001 are compiled from responses to Commission questionnaires. Data relating to alloy pipe are from official Commerce statistics.

Since 1994, excluded welded line pipe from Japan has not accounted for a significant portion of total imports from all countries, ranging from a low of *** percent of total imports during 1994 to a high of *** percent during 1998. When compared to total imports of welded line pipe from Japan, excluded product accounted for more significant shares, ranging from a low of *** percent during 1994 to *** percent during 1998.

¹ Monthly import statistics are presented in app. D.

Table II-2
Welded line pipe: U.S. imports, by principal sources, 1998-2000, January-March 2000, and January-March 2001

Source	Calendar years			January-March	
	1998	1999	2000	2000	2001
	Quantity (short tons)				
Covered sources:					
China	7,866	16,412	9,672	8,825	29
Germany ¹	***	***	***	***	***
Japan ²	***	***	***	***	***
Korea	157,997	133,896	42,832	27,842	9,729
South Africa	6,685	10,712	4,181	157	0
Taiwan	4,457	9,108	13,543	4,346	201
Turkey	11,324	0	0	0	5,488
U.K.	4,202	2,460	2,503	53	1,811
Venezuela	0	1,588	4,483	36	3,386
All others	9,177	6,819	13,779	2,312	5,607
Subtotal covered	***	***	***	***	***
Non-covered sources:					
Canada	8,534	6,000	17,665	966	2,426
Mexico	48,180	53,995	56,747	15,674	14,606
Subtotal non-covered	56,715	59,996	74,412	16,640	17,031
Total	***	***	***	***	***
	Value (\$1,000)³				
Covered sources:					
China	3,077	4,880	3,066	2,775	15
Germany ¹	***	***	***	***	***
Japan ²	***	***	***	***	***
Korea	65,595	43,788	17,089	10,478	3,623
South Africa	2,548	3,602	1,734	50	0
Taiwan	1,795	3,170	4,738	1,419	67
Turkey	4,623	0	0	0	1,993
U.K.	1,848	1,030	1,153	21	787
Venezuela	0	518	1,870	13	1,360
All others	3,674	2,371	5,136	738	2,046
Subtotal covered	***	***	***	***	***
Non-covered sources:					
Canada	4,988	3,006	8,695	478	1,281
Mexico	21,900	20,986	25,734	7,060	6,253
Subtotal non-covered	26,888	23,992	34,429	7,538	7,534
Total	***	***	***	***	***
Table continued on next page.					

Table II-2--Continued

Welded line pipe: U.S. imports, by principal sources, 1998-2000, January-March 2000, and January-March 2001

Source	Calendar years			January-March	
	1998	1999	2000	2000	2001
	Unit value (per ton)				
Covered sources:					
China	\$391	\$297	\$317	\$314	\$499
Germany ¹	***	***	***	***	***
Japan ²	***	***	***	***	***
Korea	415	327	399	376	372
South Africa	381	336	415	315	(⁴)
Taiwan	403	348	350	327	333
Turkey	408	(⁴)	(⁴)	(⁴)	363
U.K.	440	419	461	403	434
Venezuela	(⁴)	326	417	354	402
All others	400	348	373	319	365
Subtotal covered	437	345	403	357	379
Non-covered sources:					
Canada	585	501	492	495	528
Mexico	455	389	453	450	428
Subtotal non-covered	474	400	463	453	442
Total	444	357	427	384	403
	Share of total quantity (percent)				
Covered sources:					
China	***	***	***	***	***
Germany ¹	***	***	***	***	***
Japan ²	***	***	***	***	***
Korea	***	***	***	***	***
South Africa	***	***	***	***	(⁴)
Taiwan	***	***	***	***	***
Turkey	***	(⁴)	(⁴)	(⁴)	***
U.K.	***	***	***	***	***
Venezuela	(⁴)	***	***	***	***
All others	***	***	***	***	***
Subtotal covered	***	***	***	***	***
Non-covered sources:					
Canada	***	***	***	***	***
Mexico	***	***	***	***	***
Subtotal non-covered	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0
Table continued on next page.					

Table II-2--Continued

Welded line pipe: U.S. imports, by principal sources, 1998-2000, January-March 2000, and January-March 2001

Source	Calendar years			January-March	
	1998	1999	2000	2000	2001
Share of total value (percent)					
Covered sources:					
China	***	***	***	***	***
Germany ¹	***	***	***	***	***
Japan ²	***	***	***	***	***
Korea	***	***	***	***	***
South Africa	***	***	***	***	(⁴)
Taiwan	***	***	***	***	***
Turkey	***	(⁴)	(⁴)	(⁴)	***
U.K.	***	***	***	***	***
Venezuela	(⁴)	***	***	***	***
All others	***	***	***	***	***
Subtotal covered	***	***	***	***	***
Non-covered sources:					
Canada	***	***	***	***	***
Mexico	***	***	***	***	***
Subtotal non-covered	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0
<p>¹ Imports from Germany during 2000 are based on data submitted by counsel for German respondents (June 11 and 12, 2001, submissions of Barnes, Richardson and Colburn).</p> <p>² Imports from Japan have been adjusted to exclude arctic-grade line pipe (questionnaire responses) and other alloy line pipe (official statistics).</p> <p>³ Landed, duty-paid value.</p> <p>⁴ Not applicable.</p> <p>Note: Because of adjustments made to official Commerce statistics, the data in the above table are confidential. Non-confidential import data adjusted to exclude alloy pipe are presented in table C-3, app. C.</p> <p>Source: Compiled from official Commerce statistics and responses to Commission questionnaires.</p>					

Imports From Germany During 2000

Additional adjustments were made to official Commerce statistics because reported imports of the subject product from Germany during 2000 were incomplete. While official Commerce statistics report 7,800 short tons of subject imports from Germany during March 2000-February 2001, Customs Quota Weekly Status reports indicate that imports from Germany exceeded the 9,000 ton exemption during the period.² Counsel for the German respondents submitted Customs entry documents to the Commission indicating that *** short tons of the subject product, valued at \$*** million,³ were imported from Germany during March-December 2000, and these data are included in tables II-2 and II-3 instead of official statistics.

Impact of Relief Action on Imports

Imports From Covered Countries

In the 12-month period since the imposition of import relief (March 2000-February 2001), imports of welded line pipe from covered countries decreased by *** short tons, or by *** percent, when compared to the prior 12-month period (*see* table II-3). Imports of the subject product in excess of the 9,000 ton exemption in the aggregate accounted for *** short tons from three sources: Germany (**% percent over exemption), Korea (187.7 percent over exemption), and Taiwan (9.3 percent over exemption). Imports of welded line pipe within the exempted amount totaled *** short tons.

Counsel for Korean respondents argued that the import relief action has reduced imports far below the amount originally recommended by the Commission (151,124 short tons), and has reduced imports below the level originally determined by the Commission to be excessive (105,124 short tons). Counsel for Korean respondents argued that the relief is therefore excessive and the Commission should recommend that the President terminate or modify the import relief action to a level that is commensurate with the Commission's original recommendation.⁴ Counsel for Japanese respondents also urged the Commission to recommend reduction or termination of the import relief, in light of demand trends.⁵ Counsel for petitioners argued that the increase in import prices and decline in import volumes have led to the beginning of a recovery for the domestic industry from the serious injury caused by the prior import surge, but that the industry is still not back to its condition of 1995-97, prior to the import surge. Counsel for petitioners argued that the Commission should not report to the President that the relief is excessive.⁶

Imports From Non-Covered Countries

Welded line pipe that is the product of Canada and Mexico is not covered by the import relief action. Non-covered product accounted for the following percentages of total imports (based on quantity): from Canada, *** percent in 1998, *** percent in 1999, and *** percent in 2000; and from Mexico, *** percent in 1998, *** percent in 1999, and *** percent in 2000. Counsel for Korean respondents argued that this doubling of the share of line pipe imports by product from Canada and Mexico constitutes a surge that has undermined the effectiveness of the import relief action. Counsel for

² *Customs Quota Weekly Status Report* as of January 6, 2001. Customs has confirmed that the exempted quantity for Germany was reached by December 8, 2000 (June 13, 2001, telephone interview with ***, U.S. Customs).

³ The value figure includes an estimate for additional duties on approximately \$*** of merchandise at the 19 percent duty rate (June 12, 2001, submission of Barnes, Richardson and Colburn).

⁴ June 25, 2001, Korean respondents' prehearing brief, pp. 6-7; and TR, pp. 132-133.

⁵ July 6, 2001, Japanese respondents' posthearing brief, pp. 3 and 16.

⁶ TR, pp. 112-113; and July 6, 2001, petitioners' posthearing brief, p. 10.

Table II-3
Welded line pipe: U.S. imports, by principal sources, March 1999-February 2000 and March 2000-February 2001

Source	Mar. 1999- Feb. 2000	Mar. 2000- Feb. 2001	Mar. 1999- Feb. 2000	Mar. 2000- Feb. 2001	Mar. 1999- Feb. 2000	Mar. 2000- Feb. 2001
	Quantity (<i>short tons</i>)		Value (\$1,000) ¹		Unit value (<i>per ton</i>)	
Covered sources:						
China	24,230	881	7,323	318	\$302	\$361
Germany ²	5,519	***	3,043	***	551	***
Japan ³	14,657	***	6,570	***	448	***
Korea	118,306	25,892	39,181	10,763	331	416
South Africa	9,627	4,181	3,214	1,734	334	415
Taiwan	12,777	9,839	4,362	3,535	341	359
Turkey	0	5,488	0	1,993	(⁴)	363
U.K.	1,979	3,836	811	1,720	410	448
Venezuela	1,624	6,829	530	2,823	327	413
All others	8,778	15,433	2,993	5,811	341	377
Subtotal covered	197,497	***	68,028	***	344	***
Non-covered sources:						
Canada	5,884	17,966	2,988	8,875	508	494
Mexico	58,737	55,320	23,457	24,946	399	451
Subtotal non-covered	64,621	73,286	26,445	33,822	409	462
Total	262,118	***	94,472	***	360	***
	Share of quantity		Share of value		Period change	
					Quantity	Value
	(Percent)					
Covered sources:						
China	9.2	***	7.8	***	-96.4	-95.7
Germany ²	2.1	***	3.2	***	***	***
Japan ³	5.6	***	7.0	***	***	***
Korea	45.1	***	41.5	***	-78.1	-72.5
South Africa	3.7	***	3.4	***	-56.6	-46.1
Taiwan	4.9	***	4.6	***	-23.0	-19.0
Turkey	(⁴)	***	(⁴)	***	(⁴)	(⁴)
U.K.	0.8	***	0.9	***	93.8	112.2
Venezuela	0.6	***	0.6	***	320.6	432.2
All others	3.3	***	3.2	***	75.8	94.1
Subtotal covered	75.3	***	72.0	***	***	***
Non-covered sources:						
Canada	2.2	***	3.2	***	205.3	197.0
Mexico	22.4	***	24.8	***	-5.8	6.4
Subtotal non-covered	24.7	***	28.0	***	13.4	27.9
Total	100.0	100.0	100.0	100.0	***	***
¹ Landed, duty-paid value. ² Imports from Germany during Mar. 2000-Feb. 2001 are based on data submitted by counsel for German respondents (June 11 and 12, 2001, submissions of Barnes, Richardson and Colburn). ³ Excludes nonsubject alloy and arctic-grade line pipe. ⁴ Not applicable.						
Source: Compiled from official Commerce statistics, adjusted for exclusions.						II-8

Korean respondents urged the Commission to recommend that the President include Canada and Mexico in the relief action under the surge provision in the NAFTA Implementation Act (19 U.S.C. § 3372(c)).^{7 8} Counsel for petitioners argued that the vast majority of market share lost by imports from covered countries went to domestic producers, and that imports from Canada and Mexico have entered the United States at higher prices since the imposition of import relief. Counsel argued that “there is no need for the Commission to recommend a modification of relief to include Canada and Mexico at this point in time.”⁹

Historical data regarding imports of welded line pipe from Canada and Mexico, based on official Commerce statistics, are presented in the following tabulation:

Source	1994	1995	1996	1997	1998	1999	2000
Quantity (short tons)							
Canada	10,118	9,367	9,400	2,850	8,534	6,000	17,665
Mexico	23,254	25,454	40,009	80,129	48,180	53,995	56,747
Total	33,372	34,821	49,409	82,979	56,715	59,996	74,412

Dual Stenciled Product

During the section 201 investigation, counsel for Korean respondents argued that official import statistics were overstated due to dual stenciling (pipe stenciled to both standard (ASTM) and line (API 5L) pipe specifications). The Commission determined that “even if a significant portion of Korean multiple-stenciled line pipe actually is used in standard pipe applications, because such pipe still enters as line pipe and can be used as line pipe, its presence in the domestic market can affect the domestic price of line pipe” and found “no basis for discounting the volume of imports of line pipe from Korea or their effect on the domestic industry.”¹⁰

⁷ Section 3372(c) provides for action after exclusion of NAFTA country imports as follows:

(1) In General.—If the President, under subsection (b), excludes imports from a NAFTA country or countries from action under chapter 1 of title II of the Trade Act of 1974 but thereafter determines that a surge in imports from that country or countries is undermining the effectiveness of the action—

(A) the President may take appropriate action under such chapter 1 to include those imports in the action; and

(B) any entity that is representative of an industry for which such action is being taken may request the International Trade Commission to conduct an investigation of the surge in such imports.

(2) Investigation.—Upon receiving a request under paragraph (1)(B), the International Trade Commission shall conduct an investigation to determine whether a surge in such imports undermines the effectiveness of the action. The International Trade Commission shall submit the findings of its investigation to the President no later than 30 days after the request is received by the International Trade Commission.

(3) Definition.—For purposes of this subsection, the term “surge” means a significant increase in imports over the trend for a recent representative base period.

⁸ June 25, 2001, Korean respondents’ prehearing brief, pp. 10-11.

⁹ July 6, 2001, petitioners’ posthearing brief, pp. 10-11.

¹⁰ *Circular Welded Carbon Quality Line Pipe*, Inv. No. TA-201-70, USITC Publication 3261, December 1999, p. I-26.

In this section 204 investigation, counsel for Korean respondents similarly argued that the decline in imports of welded line pipe from Korea must be considered in light of the increase in imports of standard pipe.¹¹ An analysis of official Commerce statistics indicates that the increase in imports of standard pipe from Korea during 1999-2000 was greater than the decline in imports of welded line pipe (see monthly import statistics and figure D-1 in appendix D). In addition, data received by the Commission from questionnaire respondents regarding dual-stenciling of welded line pipe indicates that almost half of U.S. producers' shipments of welded line pipe are dual-stenciled, and while the share of shipments of imports that are dual stenciled has declined during 1998-2000, such product continues to represent a significant portion (66 percent) of total shipments of imports from covered countries. A summary of the data from questionnaire respondents is presented below:

Item	U.S. producers			Covered countries		
	1998	1999	2000	1998	1999	2000
Share of total reported shipments of welded line pipe (percent)						
API only	52.8	53.1	48.3	***	***	***
API & ASTM ¹	45.0	44.9	49.2	83.0	92.9	66.4
Not stenciled	2.2	2.0	2.5	(²)	(²)	(²)
Other ³	(²)	(²)	(²)	***	***	***
Total	100.0	100.0	100.0	100.0	100.0	100.0
<p>¹ Shares of total reported shipments of imports from Korea during the three years of the investigation period that were dual stenciled product were 96.9 percent, 97.5 percent, and 79.7 percent, respectively.</p> <p>² None reported; not applicable.</p> <p>³ With respect to covered countries, the data represent HFI welded line pipe from Germany, stenciled to customers' proprietary requirements.</p>						

APPARENT U.S. CONSUMPTION

Data on apparent U.S. consumption of welded line pipe, presented in table II-4, are based on U.S. producers' shipments as reported in the questionnaires and imports as recorded in official Commerce statistics. Apparent consumption declined by 10.6 percent during 1998-2000, increased slightly by 1.9 percent during 1999-2000, and decreased by 25.2 percent during January-March 2001 compared to January-March 2000. Factors identified as contributing to a decline in domestic demand for line pipe include a general economic slowdown of the U.S. economy, a slight decline in the seasonally adjusted value of new construction, and increased imports of standard and structural pipe.¹²

¹¹ TR, pp. 132-133, July 6, 2001, posthearing brief of Korean respondents, pp. 10-12.

¹² See Part V for a discussion of U.S. demand.

Table II-4

Welded line pipe: U.S. shipments of domestic product, U.S. imports, by principal sources, and apparent U.S. consumption, 1998-2000, January-March 2000, and January-March 2001

Item	Calendar years			January-March	
	1998	1999	2000	2000	2001
	Quantity (short tons)				
U.S. shipments	645,817	568,840	670,919	174,892	130,604
U.S. imports from--					
Covered sources:					
China	7,866	16,412	9,672	8,825	29
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	157,997	133,896	42,832	27,842	9,729
South Africa	6,685	10,712	4,181	157	0
Taiwan	4,457	9,108	13,543	4,346	201
Turkey	11,324	0	0	0	5,488
United Kingdom	4,202	2,460	2,503	53	1,811
Venezuela	0	1,588	4,483	36	3,386
All other covered	9,177	6,819	13,779	2,312	5,607
Subtotal covered	***	***	***	***	***
Non-covered sources:					
Canada	8,534	6,000	17,665	966	2,426
Mexico	48,180	53,995	56,747	15,674	14,606
Subtotal non-covered	56,715	59,996	74,412	16,640	17,031
Total U.S. imports	***	***	***	***	***
Apparent consumption	***	***	***	***	***
	Value (\$1,000)				
U.S. shipments	322,527	239,910	319,486	79,311	61,128
U.S. imports from--					
Covered sources:					
China	3,077	4,880	3,066	2,775	15
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	65,595	43,788	17,089	10,478	3,623
South Africa	2,548	3,602	1,734	50	0
Taiwan	1,795	3,170	4,738	1,419	67
Turkey	4,623	0	0	0	1,993
United Kingdom	1,848	1,030	1,153	21	787
Venezuela	0	518	1,870	13	1,360
All other covered	3,674	2,371	5,136	738	2,046
Subtotal covered	***	***	***	***	***
Non-covered sources:					
Canada	4,988	3,006	8,695	478	1,281
Mexico	21,900	20,986	25,734	7,060	6,253
Subtotal non-covered	26,888	23,992	34,429	7,538	7,534
Total U.S. imports	***	***	***	***	***
Apparent consumption	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

U.S. MARKET SHARES

Data relating to market shares based on U.S. producers' shipments and U.S. imports are presented in table II-5. Since the imposition of import relief (comparing 1999 and 2000), imports from covered countries lost 12.2 percentage points of market share, with U.S. producers gaining 10.7 points and imports from non-covered countries gaining 1.5 points.

Table II-5

Welded line pipe: Apparent U.S. consumption and market shares, 1998-2000, January-March 2000, and January-March 2001

* * * * *

U.S. IMPORTS RELATIVE TO PRODUCTION

Data on the ratio of U.S. imports of welded line pipe to U.S. production are presented in table II-6.

Table II-6

Welded line pipe: U.S. production, U.S. imports, by principal sources, and ratios of imports to production, 1998-2000, January-March 2000, and January-March 2001

Item	Calendar years			January-March	
	1998	1999	2000	2000	2001
Quantity (short tons)					
U.S. production	697,629	595,744	798,147	207,025	158,989
U.S. imports from--					
Covered sources:					
China	7,866	16,412	9,672	8,825	29
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	157,997	133,896	42,832	27,842	9,729
South Africa	6,685	10,712	4,181	157	0
Taiwan	4,457	9,108	13,543	4,346	201
Turkey	11,324	0	0	0	5,488
U.K.	4,202	2,460	2,503	53	1,811
Venezuela	0	1,588	4,483	36	3,386
All others	9,177	6,819	13,779	2,312	5,607
Subtotal covered	***	***	***	***	***
Non-covered sources:					
Canada	8,534	6,000	17,665	966	2,426
Mexico	48,180	53,995	56,747	15,674	14,606
Subtotal non-covered	56,715	59,996	74,412	16,640	17,031
Total U.S. imports	***	***	***	***	***
Ratio to U.S. production (percent)					
U.S. imports from--					
Covered sources:					
China	1.1	2.8	1.2	4.3	(¹)
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	22.6	22.5	5.4	13.4	6.1
South Africa	1.0	1.8	0.5	0.1	(²)
Taiwan	0.6	1.5	1.7	2.1	0.1
Turkey	1.6	(²)	(²)	(²)	3.5
U.K.	0.6	0.4	0.3	(¹)	1.1
Venezuela	(²)	0.3	0.6	(¹)	2.1
All others	1.3	1.1	1.7	1.1	3.5
Subtotal covered	***	***	***	***	***
Non-covered sources:					
Canada	1.2	1.0	2.2	0.5	1.5
Mexico	6.9	9.1	7.1	7.6	9.2
Subtotal non-covered	8.1	10.1	9.3	8.0	10.7
Total U.S. imports	***	***	***	***	***
¹ Less than 0.05 percent. ² Not applicable.					
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.					

II-13

PART III: DOMESTIC INDUSTRY ADJUSTMENT EFFORTS

PLANS AND EFFORTS

During the section 201 investigation, U.S. line pipe producers submitted company-specific adjustment plans that reportedly would make the industry more competitive with imports at the end of a remedy period. The plans identified investments totaling between \$107 million and \$137 million to improve productivity/efficiency and quality, lower costs, and expand product lines.¹

During the current section 204 monitoring investigation, the Commission sought information from U.S. producers regarding any efforts made by firms and/or workers since March 1, 2000 to compete more effectively. Data compiled from questionnaire responses of 10 of 16 U.S. producers (accounting for approximately 86 percent of U.S. production of welded line pipe during 2000) are presented in table III-1.² In general, the data indicate that approximately \$33 million, or 53 percent, of the \$63 million of planned investments reported by U.S. producers in their adjustment plans for the period 2000-01, had been completed by May 2001. Improving productivity/efficiency and quality accounted for 59 percent of total investments, expanding product lines accounted for 27 percent, and lowering costs accounted for 13 percent of the total during 2000-01.

With respect to new product development, the data indicate that U.S. producers have completed just over half of the investments planned for the 2000-01 period. The Commission sought information from U.S. producers as to which products firms have either begun producing or developed the capability to produce since March 1, 2000. The following responses were received:

***—"Presently formulating plan to effectively test and produce high grade, thin wall pipe – in the development stages."

***—"Other products: 1.9" - 3/5" line pipe."

—"(a) line pipe for deep water applications— has been active in this area since ***; the deepest known depth for *** pipe has exceeded *** feet of water. *** has also performed research on high collapse line pipe specifically for deep water applications and can offer this product at the current time.

(b) high grade thin wall line pipe—*** for the specific purpose of having a thin wall, high strength source of ***-inch line pipe to offer our customer base. In Sept. 2000, after the current 201 orders for line pipe became effective, *** developed a similar ***. This latest *** provides *** customers high strength, thin wall line pipe from ***-inch in diameter, completing the *** product offering for light wall line pipe. ***.

(c) abrasion-resistant pipe—*** has offered this product in our full size range since 1989; our primary markets include the mining industry for slurry lines, the cement pumping industry for process equipment, and the dredging industry for transporting sludge.

(d) any other product—*** obtained our certification from the American Bureau of Shipping in *** for the purpose of supplying *** grade products (quench and tempered material) to the offshore rig building industry. This material is typically used in the cross members of a drilling rig jack-up unit."

¹ *Circular Welded Carbon Quality Line Pipe*, Inv. No. TA-201-70, USITC Publication 3261, December 1999, p. I-79; petitioners' November 3, 1999, prehearing brief on remedy, pp. 16-21; and petitioners' November 17, 1999, posthearing brief on remedy, pp. 24-34.

² Detailed listings of company-specific adjustments and efforts, by types and by firms, are presented in app. E. III-1

Table III-1

Welded line pipe: U.S. producers' efforts and adjustments to compete more effectively in the U.S. market, by types and firms¹

Effort	201 Plan		204 Action	
	2000-03	2000-01	2000-01	Completion
	Amount (\$1,000)			(percent)
By types:				
Cost reductions	31,375	5,675	4,380	77.2
Productivity, quality improvements	46,355	37,835	19,692	52.0
New products	24,654	17,765	9,045	50.9
Organizational change	***	***	***	***
Marketing changes	***	***	***	***
Total	104,584	63,475	33,395	52.6
By firms:				
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
Total	104,584	63,475	33,395	52.6

¹ A detailed listing of company-specific adjustments and efforts, by types, is presented in tables E-1-E-2, app. E.

² Lone Star has testified that "most, if not all" of its adjustment efforts have been through retained earnings (TR, p. 69). In addition, the firm reports that it has had no problems receiving funding for projects because the funding is based on forecasts of full 201 relief (TR, pp. 69-70).

³ Lone Star's adjustment plan includes \$***. The firm reported that *** will also "allow Lone Star to compete for both onshore and offshore pipeline projects in the lower 48 states onshore, the Gulf of Mexico offshore, and in the international marketplace." July 31, 2001, e-mail from ***.

⁴ LTV has testified that the firm has fallen "far short of expectations on investments because of our financial position." (TR, p. 70). LTV's parent company filed for Chapter 11 bankruptcy protection in December 2000.

⁵ None reported; not applicable.

⁶ Stupp reports that it had invested \$35 million in mill modernization between 1997 and 1999 prior to relief and that those investments should be considered as a measure of the firm's commitment to the industry (TR, p. 27, and Stupp questionnaire response, part V).

⁷ Because of *** (July 27, 2001, telephone interview with***).

Source: Compiled from data submitted in response to Commission questionnaires; petitioners' November 3, 1999, prehearing brief on remedy; and petitioners' November 17, 1999, posthearing brief on remedy.

***-“Prior to 3/1/00 and as a result of *** was in the ‘development/enhancement’ phase of deep water and high grade thin wall pipe. In 2000 we put our pipe into service at depths exceeding *** and are currently evaluating a *** product.”

U.S. producers were also asked if they had applied for or received a loan guarantee made pursuant to the Emergency Steel Loan Guarantee Act of 1999.³ Geneva received \$110 million on January 3, 2001, upon emerging from chapter 11 protection, and *** reported that it had not yet applied for a loan guarantee but is planning to do so in the near future.

EFFECTS OF THE IMPORT RELIEF ACTION ON INDIVIDUAL FIRMS’ OPERATIONS

The Commission sought information from U.S. producers of welded line pipe regarding the significance of the relief action on their operations. With respect to effects on production capacity, production, shipments, inventories, and employment, the following responses were received:

***-“Since March 1, 2000, our raw steel production and shipments have decreased by ***% while our production capacity has remained the same. Employment levels have dropped by ***% for the entire plant, but employment requirements for pipe production have dropped only ***%.”

-“ invested in ***. The imposition of the 201 case in March of 2000, gives *** and the rest of the domestic manufacturers a more level playing field to recoup investment dollars. No significant additional capital is necessary to achieve a world-class status – we remain vigilant for the opportunity to secure a return on our previous investments.”

***-“During the period mentioned we were in the process of ***. The ***; but from a planning view, we are now able to participate in this market on a fair playing field. Production has begun, and employment is up; but we have not been able to build inventory. We expect that as a result of a strong energy market and these tariffs, we will secure orders that were not previously available to us.”

***-“Even with the imposed tariffs, Korea continues to fill their 9,000 ton quota immediately each year and then proceeds to sell line pipe products below the domestic product prices while paying the duties. The tariff, in other words, has slowed Korea’s surge of imported line pipe products.”

***-“Numerous projects and strategies regarding line pipe production and sales were pending during the 1997 through 1999 time frame pending further analysis of heavy import penetration within the U.S. marketplace. Prior to imposition of the tariffs, these strategies and expenditures were on hold. Since the positive findings, *** has moved forward with implementing many of these projects as outlined below:

1. ***.
2. ***.
3. ***.
4. ***.

³ 15 U.S.C. § 1841 note; Pub. L. No. 106-51, sec. 101; 113 Stat. 252.

5. ***.
6. ***.”

***_“2001 is our ***. *** we have had no changes.”

***_“Production capacity for subject goods is calculated based on total tons produced on the same equipment. Production and shipments decreased 1Q 2001 compared to 1Q 2000, inventory increased and employment stayed the same. Prices in 1Q 2001 were lower than 1Q 2000.”

***_“The additional tariffs and quotas have enabled *** to more effectively utilize its production capacity. Inventories are more manageable with a market that is predictable and not subject to import surges. Employment levels have increased somewhat with the successful ***.”

***_“The additional tariff imposed by the president effective March 1, 2000, has only allowed our line pipe facilities to maintain production, shipments, inventory and employment at recent years’ low levels. The imposition of the relief propped up the lackluster operating levels from what certainly would have been ‘depressed’ levels without such relief.”

With respect to effects on return on investment, ability to generate capital to finance the modernization of domestic plant(s) and equipment, or ability to maintain existing levels of expenditures for research and development, the following responses were received:

***_“While we have completed ***, the plant has not achieved profitable levels of sales. We have held capital expenditures to minimal levels.”

***_“These tariffs were part of the reason we added ***. Results are still premature.”

_“ has not been able to show enough of a profit to invest any monies in modernization of plant or research and development. Without the imposed tariff, it would be impossible to even contemplate future monetary gains for improvements.”

***_“Capital projects are generally funded from earnings or from ***’s working capital financial instrument. Decisions on spending are based upon ‘return on investment’ calculations. Various projects compete for capital dollars and, therefore, must meet certain minimum return percentages in order to gain approval. Key elements in calculating ‘ROI’ include selling prices, volume, and future market conditions. Decisions on projects affecting line pipe since the 201 findings, have remained positive as a result of price stability, the removal of a ‘surge’ threat, and greater market share volume for the domestic producers.”

***_“We have been impacted by a high level of standard pipe imported to *** and a rising steel coil market during 2000 - followed by a significant price decline.”

***_“As a result of increased domestic and import sales of line pipe in the first quarter of 2001, the operation turned its first profit.”

***_“There has been no change as a result of this case. The overall market for subject goods is weaker than a year ago.”

***–“The market and price stability resulting from the relief measures have assisted *** in its efforts to achieve its return on investment objectives.”

***–“Meager return on investment has curtailed our ability to generate capital to finance modernization of facilities. Capital spending level of ***% of sales can be characterized as ‘caretaker’ in nature. No significant levels of research and development spending has occurred since March 1, 2000.”

PART IV: CONDITION OF THE U.S. INDUSTRY

CHANGES IN OPERATIONS

The Commission's questionnaires in the subject investigation requested information on changes in the character of U.S. producers' welded line pipe operations during 1998 through March 2001. The following comments were received from responding firms:

Geneva—"Geneva entered chapter 11 bankruptcy 2/1/99 and exited 1/3/01. We operated our plant at ***, and are currently operating at that low level. ***."

Stupp—"In 1997 Stupp Corp. interrupted operation for 7 months for a \$30 million facility upgrade. This upgrade extended into 1998."

Maverick—"Acquired Prudential Steel in September 2000. Plant opening—large OD (8 5/8" - 16") mill in Hickman, AR, in August 2000."

Newport—"November-December 2000 - 4 1/2" - 6 5/8" mill was shut down due to lack of demand for all products because of high inventory levels partially attributable to imported materials."

Prudential—"In January 1999, our 100,000 ton ERW pipe mill located in Longview, WA, was completed and commissioned. The mill went through a start-up phase until March 31, 1999, and commenced production of the subject goods in the second quarter of 1999. Due to strong competition from unfairly priced imports, our ability to enter the line pipe and standard pipe markets was significantly injured."

IPSCO—"In March of 1999, IPSCO began commissioning a new facility located in Blytheville, AR. The mill is now API certified and produces line pipe and other tubular products in the 1.9" OD - 4.5" OD size range. Planned capacity of the facility for all products is *** tons per year."

LTV—"Cleveland plant welder shutdown 6/30/99 resulted in the elimination of the size range from 2 3/8" to 3 1/2"."

American—"Operated at ***% capacity (***) from 10/99 through 10/00."

Other developments in the U.S. welded line pipe industry include:

Northwest—Completed its \$*** million pipe installation at Portland, OR during 1998; the facility became API certified to produce line pipe during ***.¹

LTV—During November 1999, the LTV Corp. purchased the Copperweld Corp., Copperweld Canada, Inc., and Welded Tube Co. of America. LTV Copperweld was formed with the combination of these purchased companies and LTV Steel Tubular Products, its existing tubular products operations. During October 2000, LTV Copperweld restructured its tubular products businesses into the Pipe and Conduit Group (including the subject products) and the Tubular

¹ May 15, 2001, telephone interview with ***.

Products Group (mechanical and structural products). On December 29, 2000, the LTV Corp. announced that it and 48 wholly owned subsidiaries had filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code. In its petitions, LTV Corp. attributed the need to reorganize to a weakening economy and the inaction of the U.S. government in enforcing trade laws.²

Lone Star--During August 2000, Lone Star entered into an exclusive, multi-year agreement with U.S. Steel to market ERW tubular products manufactured by U.S. Steel's Tubular Division. During March 2000, Lone Star Technologies, Inc. purchased the assets of Bellville Tube Corp., a privately held Houston tubular goods manufacturer.³

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Data on U.S. producers' line pipe production, capacity, and capacity utilization, by firms, are presented in table IV-1. Almost all firms reportedly produce other pipe products, such as OCTG, large-diameter line pipe, standard pipe, and structural and other pipe, on the same machinery and equipment used to produce the subject pipe.⁴ Their product mix is reportedly determined by market demand. Data on U.S. producers' capacity and production for all products are presented in the tabulation that follows.

² Retrieved on May 30, 2001, at <http://yahoo.marketguide.com/mgi>.

³ *Id.*

⁴ *** was the only welded line pipe producer that did not also produce other products on the same equipment used to produce the subject pipe. For the most part, these companies reported that minimal adjustments or modifications to production equipment were necessary to produce other types of pipe.

Item	1998	1999	2000
	Quantity (short tons)		
Annual capacity for all products	4,900,462	5,123,048	5,505,520
Production:			
Subject products	697,629	595,744	798,147
Standard pipe	909,471	898,328	974,885
Structural pipe	62,762	105,797	110,311
OCTG	642,810	531,418	1,079,207
Large-diameter line pipe ¹	377,505	252,779	142,022
Other ²	309,727	292,625	332,776
All products	2,999,904	2,676,691	3,437,348
	Share of production (percent)		
Subject products	23.3	22.3	23.2
Standard pipe	30.3	33.6	28.4
Structural pipe	2.1	4.0	3.2
OCTG	21.4	19.9	31.4
Large-diameter line pipe	12.6	9.4	4.1
Other	10.3	10.9	9.7
Total	100.0	100.0	100.0
	Capacity utilization (percent)		
All products	61.2	52.2	62.4
Subject products	61.0	49.4	63.5
¹ Welded line pipe greater than 16 inches in OD. ² Includes mechanical tubing, piling pipe, conduit shells, and limited service pipe.			

Table IV-1
Welded line pipe: U.S. producers' capacity, production, and capacity utilization, by firms, 1998-2000,
January-March 2000, and January-March 2001

Item	Calendar years			January-March	
	1998	1999	2000	2000	2001
	Capacity¹ (short tons)				
American ²	***	***	***	***	***
California	***	***	***	***	***
Geneva	***	***	***	***	***
IPSCO	***	***	***	***	***
Lone Star	***	***	***	***	***
LTV	***	***	***	***	***
Maverick	***	***	***	***	***
Newport	***	***	***	***	***
Northwest	***	***	***	***	***
Prudential	***	***	***	***	***
Sawhill	***	***	***	***	***
Stupp	***	***	***	***	***
Tex-Tube	***	***	***	***	***
Texas Tubular	***	***	***	***	***
U.S. Steel	***	***	***	***	***
Wheatland	***	***	***	***	***
Total	1,142,907	1,205,831	1,256,865	316,906	292,355
	Production (short tons)				
American ²	***	***	***	***	***
California	***	***	***	***	***
Geneva	***	***	***	***	***
IPSCO	***	***	***	***	***
Lone Star	***	***	***	***	***
LTV	***	***	***	***	***
Maverick	***	***	***	***	***
Newport	***	***	***	***	***
Northwest	***	***	***	***	***
Prudential	***	***	***	***	***
Sawhill	***	***	***	***	***
Stupp	***	***	***	***	***
Tex-Tube	***	***	***	***	***
Texas Tubular	***	***	***	***	***
U.S. Steel	***	***	***	***	***
Wheatland	***	***	***	***	***
Total	697,629	595,744	798,147	207,025	158,989

Table continued on next page.

IV-4

Table IV-1—Continued

Welded line pipe: U.S. producers' capacity, production, and capacity utilization, by firms, 1998-2000, January-March 2000, and January-March 2001

Item	Calendar years			January-March	
	1998	1999	2000	2000	2001
Capacity utilization (percent)					
American ²	***	***	***	***	***
California	***	***	***	***	***
Geneva	***	***	***	***	***
IPSCO	***	***	***	***	***
Lone Star	***	***	***	***	***
LTV	***	***	***	***	***
Maverick	***	***	***	***	***
Newport	***	***	***	***	***
Northwest	***	***	***	***	***
Prudential	***	***	***	***	***
Sawhill	***	***	***	***	***
Stupp	***	***	***	***	***
Tex-Tube	***	***	***	***	***
Texas Tubular	***	***	***	***	***
U.S. Steel	***	***	***	***	***
Wheatland	***	***	***	***	***
Total	61.0	49.4	63.5	65.3	54.4
<p>¹ Capacity data presented for the January-June 1998-99 periods in the section 201 investigation cannot be used with the data for 1998-99 reported in this section 204 investigation. Two U.S. producers changed methodologies for calculating capacity between the two investigations: ***.</p> <p>² ***.</p> <p>³ Not applicable.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>					

Counsel for Korean respondents argued that the domestic industry has continued to increase capacity through 2000 despite the fact that industry capacity has exceeded demand since 1994, and “(u)nder these circumstances, a further period of relief seems counterproductive.”⁵ Counsel for petitioners argued that increased capacity has been a byproduct of improvements in operating efficiency which drive unit costs down, so that producers are able to operate profitably at levels below their ultimate capacity.⁶ An analysis of capacity and “excess” capacity data indicates that capacity to produce welded line pipe grew by 9 percent during 1998-2000. While “excess” industry capacity more than doubled during this period (reflecting domestic capacity growth and declining apparent U.S. consumption), the 2000 “excess” capacity level was comparable to levels in existence during 1996, as shown below:

⁵ June 25, 2001, Korean respondents' prehearing brief, p. 16; and July 6, 2001, Korean respondents' posthearing brief, pp. 7-8, and exh. 6.

⁶ TR, p. 52; and July 6, 2001, petitioners' posthearing brief, p. 7.

Quantity (short tons)

Item	1994	1995	1996	1997	1998	1999	2000
Capacity ¹	***	***	***	***	***	***	***
Production ²	***	***	***	***	***	***	***
Difference	***	***	***	***	***	***	***
Imports ³	***	***	***	***	***	***	***
Excess capacity	157,254	95,385	259,062	15,182	133,904	331,637	269,197

¹ Data for 1994-97 are compiled from data presented in the section 201 investigation, adjusted to reflect ***.

² For timeline continuity, data for 1998-2000 have been adjusted to ***.

³ Data for all periods have been adjusted to exclude alloy and arctic-grade welded line pipe.

Period changes (percent)

Item	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	1995-97	1998-2000
Capacity	1.7	9.2	2.6	1.5	4.8	3.7	12.0	8.6
Excess capacity	-39.3	171.6	-94.1	782.0	147.7	-18.8	-84.1	101.0

**U.S. PRODUCERS' DOMESTIC SHIPMENTS
AND EXPORT SHIPMENTS**

Data on U.S. producers' shipments are presented in table IV-2. U.S. producers had no internal shipments or transfers during the period. The principal export market for U.S.-produced welded line pipe is Canada, with small amounts exported to South America and Africa. No U.S. producer reported imports of the subject product from any country, covered or non-covered. With respect to purchases of U.S.-produced product, ***.

U.S. PRODUCERS' INVENTORIES

U.S. producers' inventory data are presented in table IV-3. Most of the responding producers produce to customer order and to current demand in product mix and, therefore, do not inventory large quantities of line pipe.

U.S. EMPLOYMENT, HOURS, AND WAGES

Fourteen U.S. producers provided employment data on welded line pipe; these data are presented in table IV-4. U.S. welded line pipe producers that produce standard pipe, OCTG, structural pipe, and other pipe products use the same equipment and production and related workers (PRWs) for these products.

Table IV-2

Welded line pipe: U.S. producers' shipments, by type, 1998-2000, January-March 2000, and January-March 2001

Item	Calendar years			January-March	
	1998	1999	2000	2000	2001
	Quantity (short tons)				
Commercial shipments	645,817	568,840	670,919	174,892	130,604
Internal shipments	0	0	0	0	0
U.S. shipments	645,817	568,840	670,919	174,892	130,604
Export shipments	20,512	32,293	69,506	19,152	16,375
Total shipments	666,329	601,133	740,425	194,044	146,979
	Value (1,000 dollars)				
Commercial shipments	322,527	239,910	319,486	79,311	61,128
Internal shipments	0	0	0	0	0
U.S. shipments	322,527	239,910	319,486	79,311	61,128
Export shipments	10,611	14,146	35,888	9,197	8,948
Total shipments	333,138	254,056	355,374	88,508	70,076
	Unit value (per ton)				
Commercial shipments	\$499	\$422	\$476	\$453	\$468
Internal shipments	(¹)	(¹)	(¹)	(¹)	(¹)
Average	499	422	476	453	468
Export shipments	517	438	516	480	546
Average	500	423	480	456	477
	Share of quantity (percent)				
Commercial shipments	96.9	94.6	90.6	90.1	88.9
Internal shipments	(¹)	(¹)	(¹)	(¹)	(¹)
Subtotal	96.9	94.6	90.6	90.1	88.9
Export shipments	3.1	5.4	9.4	9.9	11.1
Total	100.0	100.0	100.0	100.0	100.0
¹ Not applicable.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table IV-3

Welded line pipe: U.S. producers' end-of-period (EOP) inventories, 1998-2000, January-March 2000, and January-March 2001

Item	Calendar years			January-March	
	1998	1999	2000	2000	2001
EOP inventories (<i>short tons</i>)	72,559	54,947	83,707	55,342	90,274
Ratio to production (<i>percent</i>)	10.4	9.2	10.5	6.7	14.2
Ratio to U.S. shipments (<i>percent</i>)	11.2	9.7	12.5	7.9	17.3
Ratio to total shipments (<i>percent</i>)	10.9	9.1	11.3	7.1	15.4

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-4

Average number of production and related workers (PRWs) employed by U.S. producers of welded line pipe, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1998-2000, January-March 2000, and January-March 2001

Item	Calendar years			January-March	
	1998	1999	2000	2000	2001
PRWs (<i>number</i>)	1,383	1,222	1,392	1,336	1,232
Hours worked (<i>1,000</i>)	2,968	3,064	3,553	891	795
Wages paid (<i>\$1,000</i>)	57,658	48,070	58,417	14,329	12,309
Hourly wages	\$19.42	\$15.69	\$16.44	\$16.07	\$15.48
Productivity (<i>tons per 1,000 hours</i>)	235.0	194.4	224.6	232.2	199.9
Unit labor costs (<i>per ton</i>)	\$82.65	\$80.69	\$73.19	\$69.21	\$77.42

Source: Compiled from data submitted in response to Commission questionnaires.

FINANCIAL CONDITION OF THE U.S. INDUSTRY

Background

Fifteen U.S. producers provided financial information regarding their welded line pipe operations from 1998 to the end of the first quarter of 2001. While the majority of companies reported calendar-year financial data, Geneva and Newport provided financial data (for the full-year periods) based on fiscal years ending September 30.^{7 8}

The following changes/events are reflected (directly or indirectly) in the financial results reported by U.S. welded line pipe producers during the period examined: LTV declared Chapter 11 bankruptcy in December 2000; Geneva exited its Chapter 11 bankruptcy (declared in February 1999) in January 2001;⁹ IPSCO completed construction of its Blytheville, AR, pipe mill in the first quarter of 1999 and began production in the third quarter of that year;¹⁰ Northwest completed the installation of a new ERW pipe mill at its Portland, OR facilities in the last quarter of 1998;¹¹ Prudential and Maverick merged operations; and Lone Star Technologies, the parent company of Lone Star, acquired Bellville Tube in 2000.¹²

Overall Establishment Operations

Table IV-5 presents the overall establishment results of mill producers of welded line pipe. Results on an average per-short-ton basis are presented in table IV-6. Collectively, *** accounted for approximately 75 percent of total overall establishment sales volume reported for 2000. The other producers in 2000 ranged from *** of total sales volume.

⁷ ***.

⁸ For the original 201 investigation, the financial information and other selected data submitted by Lone Star and California were verified by Commission staff.

⁹ As part of its bankruptcy restructuring, Geneva received a \$110 million loan under the federal Emergency Steel Loan Guarantee program, as well as a \$125 million revolving line of credit. The company's CEO, Joseph Cannon, has stated that payments for debt interest will be reduced from \$40 million annually prior to the reorganization to \$12-\$15 million annually. Retrieved on May 16, 2001 at <http://www.newsteel.com/2001/news/nw010204.htm>.

¹⁰ IPSCO operates two other pipe mills in the United States. The significant capacity expansion of the Comanche, IA, pipe mill, which produces line pipe, casing, tubing, hollow structural sections, and standard pipe, was completed in 1997 at a cost of \$12.4 million. The other pipe mill, located in Geneva, NE, reportedly produces only hollow structural sections. Retrieved on May 16, 2001 at <http://www.ipSCO.com/NavigationProductsProcess.htm>.

¹¹ In addition to the Portland, OR facilities, Northwest technically can produce API line pipe at a pipe mill located in Atchison, KS. Retrieved on May 16, 2001 at <http://www.nwpipe.com/nwpipe.html>. ***.

¹² ***.

Table IV-5

Results of overall establishment operations of U.S. producers of welded line pipe, fiscal years 1998-2000, January-March 2000, and January-March 2001

Item	Fiscal year			January-March	
	1998	1999	2000	2000	2001
	Quantity (short tons)				
Trade sales	6,907,278	5,982,783	7,339,333	1,932,626	1,637,981
Company transfers	42,461	34,734	40,220	11,805	7,916
Total sales	6,949,739	6,017,517	7,379,553	1,944,431	1,645,897
	Value (\$1,000)				
Trade sales	3,407,851	2,663,877	3,412,646	867,944	770,723
Company transfers	28,667	21,634	24,938	7,120	4,926
Total sales	3,436,518	2,685,511	3,437,584	875,064	775,649
Cost of goods sold	3,157,171	2,617,253	3,189,761	800,581	735,529
Gross profit	279,347	68,258	247,823	74,483	40,120
SG&A expenses	143,505	153,031	156,090	40,246	35,779
Operating income or (loss)	135,842	(84,773)	91,733	34,237	4,341
Interest expense	82,184	62,854	65,511	14,919	17,303
Other expense	3,003	3,677	4,087	923	11,353
Other income items	7,706	8,810	8,272	1,346	3,602
Net income or (loss)	58,361	(142,494)	30,407	19,741	(20,713)
Depreciation/amortization	120,925	124,555	129,403	31,773	28,964
Cash flow	179,286	(17,939)	159,810	51,514	8,251
	Ratio to net sales (percent)				
Cost of goods sold	91.9	97.5	92.8	91.5	94.8
Gross profit	8.1	2.5	7.2	8.5	5.2
SG&A expenses	4.2	5.7	4.5	4.6	4.6
Operating income or (loss)	4.0	(3.2)	2.7	3.9	0.6
Net income or (loss)	1.7	(5.3)	0.9	2.3	(2.7)
	Number of firms reporting				
Operating losses	4	10	7	5	3
Data	14	15	15	15	15
Note.--Because of rounding, figures may not add to the total shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table IV-6
Results of overall establishment operations (per ton) of U.S. producers of welded line pipe, fiscal years 1998-2000, January-March 2000, and January-March 2001

Item	Fiscal year			January-March	
	1998	1999	2000	2000	2001
	Unit value (per short ton)				
Net sales	\$494	\$446	\$466	\$450	\$471
COGS:					
Raw materials	267	249	251	241	231
Direct labor	48	45	45	42	47
Other factory costs	139	142	136	129	169
Cost of goods sold	454	435	432	412	447
Gross profit	40	11	34	38	24
SG&A expenses	20	25	21	21	22
Operating income or (loss)	20	(14)	12	18	3
Note.--Because of rounding, figures may not add to the total shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

During the period examined, overall establishment operations were affected to varying degrees by changes in sales volume, average unit sales value, and average unit costs.^{13 14 15}

In 1999, notwithstanding a reduction in average unit COGS, lower sales volume and average unit sales value, as well as higher selling, general, and administrative (SG&A) expenses (on an absolute and unit basis), resulted in an \$84.8 million operating loss compared to an operating profit of \$135.8 million in 1998. In 2000, increased sales volume and higher average unit sales value, in conjunction with continued low average unit COGS, resulted in operating income of \$91.7 million. Despite a higher average unit sales value in interim 2001 compared to interim 2000, lower volume (which reduced revenue and likely increased overall costs on a unit basis due to reduced absorption of fixed costs) resulted in lower operating income: \$4.3 million for interim 2001 compared to \$34.2 million for interim 2000.

¹³ In 1999, sales volume declined 13.4 percent, which was followed by a 22.6-percent increase in 2000. As noted previously, several companies either added capacity or began operations during the period examined. This appears to explain most of the exceptions to the general pattern of change in overall establishment and line pipe sales volume during the full-year periods. In interim 2001, overall establishment volume was approximately 15.4 percent lower compared to interim 2000.

¹⁴ From 1998 to 1999, overall establishment average unit sales value declined 9.7 percent, which was followed by a 4.4-percent increase in 2000. Interim 2001 average unit sales value was 4.7 percent higher compared to interim 2000. As these percentage changes suggest and with the exception of several companies, average unit sales values were lower at the end of the period as compared to the beginning.

¹⁵ The decline in average unit COGS from 1998 to 1999, with some exceptions, was primarily the result of lower raw material costs. In 2000, while reported raw material costs (on a unit basis) increased somewhat, other factory costs on a unit basis were reduced (most likely as a result of higher volume). Most companies reported a continued decline in unit COGS in interim 2001 (again, due mostly to lower raw material costs). However, several of the large producers reported higher average unit COGS. As noted below, ***.

Operations on Welded Line Pipe^{16 17}

Table IV-7 presents the results of welded line pipe operations of the mill producers. Results on an average per-short-ton basis and results by firm are presented in table IV-8 and table IV-9, respectively. Collectively, *** accounted for approximately 73 percent of total reported welded line pipe sales volume in 2000. The other producers in 2000 ranged from around *** of sales volume.¹⁸

While the same general factors affecting the performance of overall establishment operations apply to welded line pipe, the magnitudes of decline for line pipe sales volume and subsequent recovery were different.¹⁹ Most companies, with a few notable exceptions, reported lower sales volume in 1999 (compared to 1998), with declines ranging from significant to moderate. In 2000, the pattern was reversed, with the majority of companies reporting an increase in sales volume such that 2000 sales volume was higher than 1998. Interim 2001 sales volume was lower compared to interim 2000, with those companies reporting increases generally representing new capacity or expansions.

Average unit sales revenue fell sharply in 1999 and remained below the 1998 level for the rest of the period.²⁰ Lower average unit COGS²¹ (mostly the raw material component) helped to offset the drop in average unit sales value in 1999. Despite an increase in average unit factory overhead in interim 2001, average unit COGS remained within a relatively narrow range after 1998.²²

¹⁶ 1998 SG&A expenses for welded line pipe operations ***. As reported in Lone Star's 1998 annual report, total asset impairments of \$8.1 million were reported as part of an overall special charge (\$14.5 million) before SG&A expenses. Under U.S. generally accepted accounting principles (GAAP), a charge for asset impairment must be reflected in continuing operations. As reported in Lone Star's 1998 income statement, the asset impairment was reflected in operating earnings, as opposed to "other income (expense)," where it also could have been correctly recorded. ***.

¹⁷ ***.

¹⁸ In 2000, the share of welded line pipe sales volume and value represented approximately 10.0 percent and 10.2 percent, respectively, of overall establishment sales volume and value.

¹⁹ The 20.5 percent decline in welded line pipe sales volume in 1999 was sharper than the overall establishment decline, while the subsequent 29.8 percent increase in 2000 was also larger than the corresponding increase for overall establishment operations. Sales volume for interim 2001 was 24.2 percent lower compared to interim 2000.

²⁰ In 1999, average unit sales value declined 17.2 percent compared to 1998; it subsequently increased 13.0 percent in 2000. Interim 2001 average unit sales value was 4.7 percent higher compared to interim 2000. Information submitted by the companies indicates that, in general, there was no significant change in product mix or the level of trade.

²¹ The relative proportion of each producer's sales volume to total industry sales volume in any given period affects the average unit costs reported for the industry as a whole. For the industry as a whole, the average unit costs for raw material, direct labor, and other factory costs reflect a combination of different manufacturing operations: from fully integrated production in which the steel (used to produce pipe) is internally produced or purchased from an affiliate to production in which steel (in coils or slab) is purchased from unrelated parties. The fact that several companies de-emphasized or planned to abandon internal steel manufacturing capability during the period examined illustrates the fact that cost structures (within the same companies) change over time. The nature and extent of manufacturing costs necessary to support production of line pipe and other products also varies from company to company because each company focuses on a different mix of products.

²² ***.

Table IV-7

Results of operations of U.S. producers in the production of welded line pipe, fiscal years 1998-2000, January-March 2000, and January-March 2001

Item	Fiscal year			January-March	
	1998	1999	2000	2000	2001
	Quantity (short tons)				
Trade sales	717,315	569,922	739,895	193,477	146,690
Company transfers	0	0	0	0	0
Total sales	717,315	569,922	739,895	193,477	146,690
	Value (\$1,000)				
Trade sales	363,603	239,239	351,017	88,641	70,355
Company transfers	0	0	0	0	0
Total sales	363,603	239,239	351,017	88,641	70,355
Cost of goods sold	335,930	242,948	319,233	81,388	64,479
Gross profit or (loss)	27,673	(3,709)	31,783	7,252	5,876
SG&A expenses	15,658	13,326	14,042	3,630	2,926
Operating income or (loss)	12,015	(17,036)	17,741	3,622	2,950
Interest expense	8,090	5,837	6,528	1,459	1,209
Other expense	270	375	1,031	168	314
Other income items	417	508	264	44	55
Net income or (loss)	4,072	(22,739)	10,446	2,040	1,482
Depreciation/amortization	10,833	11,544	12,208	2,863	1,883
Cash flow	14,905	(11,195)	22,654	4,903	3,365
	Ratio to net sales (percent)				
Cost of goods sold	92.4	101.6	90.9	91.8	91.6
Gross profit or (loss)	7.6	(1.6)	9.1	8.2	8.4
SG&A expenses	4.3	5.6	4.0	4.1	4.2
Operating income or (loss)	3.3	(7.1)	5.1	4.1	4.2
Net income or (loss)	1.1	(9.5)	3.0	2.3	2.1
	Number of firms reporting				
Operating losses	5	11	4	3	5
Data	14	15	15	15	15
Note.--Because of rounding, figures may not add to the total shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table IV-8

Results of operations (per ton) of U.S. producers in the production of welded line pipe, fiscal years 1998-2000, January-March 2000, and January-March 2001

Item	Fiscal year			January-March	
	1998	1999	2000	2000	2001
	Unit value (per short ton)				
Net sales	\$507	\$420	\$474	\$458	\$480
COGS:					
Raw materials	276	244	253	255	238
Direct materials	66	60	63	59	65
Other factory costs	127	122	116	108	137
Total COGS	468	426	431	421	440
Gross profit or (loss)	39	(7)	43	37	40
SG&A expenses	21	23	19	19	20
Operating income or (loss)	17	(30)	24	19	20
Note.--Because of rounding, figures may not add to the total shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table IV-9

Results of operations of U.S. producers in the production of welded line pipe, by firms, fiscal years 1998-2000, January-March 2000, and January-March 2001

* * * * *

**Capital Expenditures, Research and Development (R&D) Expenses,
and Investment in Productive Facilities**

The responding firms' data on capital expenditures, R&D expenses, and the value of their property, plant, and equipment are shown in table IV-10. The majority of U.S. producers did not report R&D expenses. The exceptions were *** which, combined, reported less than *** per year.

Most of the capital expenditures reported for the period examined occurred in 1998, with the bulk representing allocated shares of the following projects/programs: Prudential's new pipe facility in Longview, WA; Geneva's long-term modernization program;²³ Northwest's ERW pipe mill in Portland, OR; Newport's new electric arc furnace; Lone Star's investment program for new technology, which

²³ Geneva's 1998 10-K at p. 6 identified the key elements of its modernization program as follows: "(i) the replacement of Geneva's open hearth furnaces with two state-of-the-art basic oxygen process ("Q-BOP") steelmaking furnaces, improving product quality and throughput and reducing costs; (ii) the construction of one of the widest in-line casters in the world, enabling the Company to cast slabs at the desired width without cross-rolling; (iii) the completion of a wide-plate project, positioning Geneva as the only North American producer currently offering coiled plate in widths greater than 96 inches and improving plate production efficiencies; and (iv) the recent modernization of Geneva's rolling mill, enhancing throughput rates, quality and cost." IV-14

Table IV-10

Capital expenditures, by firms, and the value of property, plant, and equipment of U.S. producers of welded line pipe, fiscal years 1998-2000, January-March 2000, and January-March 2001

Item	Fiscal year			January-March	
	1998	1999	2000	2000	2001
	Value (\$1,000)				
Capital expenditures: ¹					
American	***	***	***	***	***
California	***	***	***	***	***
Geneva	***	***	***	***	***
IPSCO	***	***	***	***	***
Lone Star	***	***	***	***	***
LTV	***	***	***	***	***
Maverick	***	***	***	***	***
Newport	***	***	***	***	***
Northwest	***	***	***	***	***
Prudential	***	***	***	***	***
Sawhill	***	***	***	***	***
Stupp	***	***	***	***	***
Tex Tube	***	***	***	***	***
U.S. Steel	***	***	***	***	***
Wheatland	***	***	***	***	***
Total capital expenditures	31,911	14,505	11,546	2,667	1,261
Fixed assets: ¹					
Original cost	163,686	203,504	197,106	207,519	229,777
Book value	90,484	102,624	94,209	105,882	123,455
1 ***.					
Source: Compiled from data submitted in response to Commission questionnaires.					

included upgrades to both of its ERW pipe mills;²⁴ and IPSCO's ERW pipe mill in Blytheville, AR. The remaining producers generally reported capital expenditures somewhat smaller than their reported (or estimated) depreciation.²⁵

The Commission requested U.S. producers to describe any actual or potential negative effects of imports of welded line pipe from any country on their firm's growth, investment, and ability to raise capital or development and production efforts (including efforts to develop a derivative or more advanced version of the product). Their responses are shown in appendix F.

²⁴ Page 5 of Lone Star's 1998 annual report.

²⁵ ***.

PART V: PRICING AND RELATED INFORMATION

U.S. DEMAND

Demand Characteristics

The demand for line pipe is primarily derived from the demand for pipelines, mainly those for natural gas.¹ Natural gas pipelines can be categorized by usage: as gathering, transmission, or distribution lines. Gathering lines transport natural gas from the well head to a central facility. Transmission lines convey natural gas to regions of consumption. Distribution lines convey natural gas to final consumers. The demand for line pipe used in gathering lines is directly affected by drilling activity, and indirectly influenced by energy prices. The demand for line pipe used in transmission lines and distribution lines is less sensitive to energy prices and drilling activity, and more sensitive to overall economic activity. Domestic producers and importers of line pipe disagree on the share of welded line pipe that is devoted to each category.

In the original investigation, domestic producers reported that only 5 percent of gas pipeline in place in 1997 was used for gathering, 20 percent for transmission, and 75 percent for distribution. However, they did not distinguish the shares of these pipelines that are constructed of subject welded line pipe. Respondents contended that grades X52 through X80 are used for transmission lines, since they operate at higher pressures. They contended that grades B, X42, and X46 are used for gathering lines, and that grade A pipe is used in distribution lines. In this monitoring investigation, for those purchasers able to provide data on purchases by grade, grades X46 through X80 accounted for 32.1 percent of all purchases of line pipe in 2000, grades B and X42 accounted for 61.1 percent, and grades A and A25 accounted for 2.6 percent. The remaining 4.2 percent did not meet an API classification.

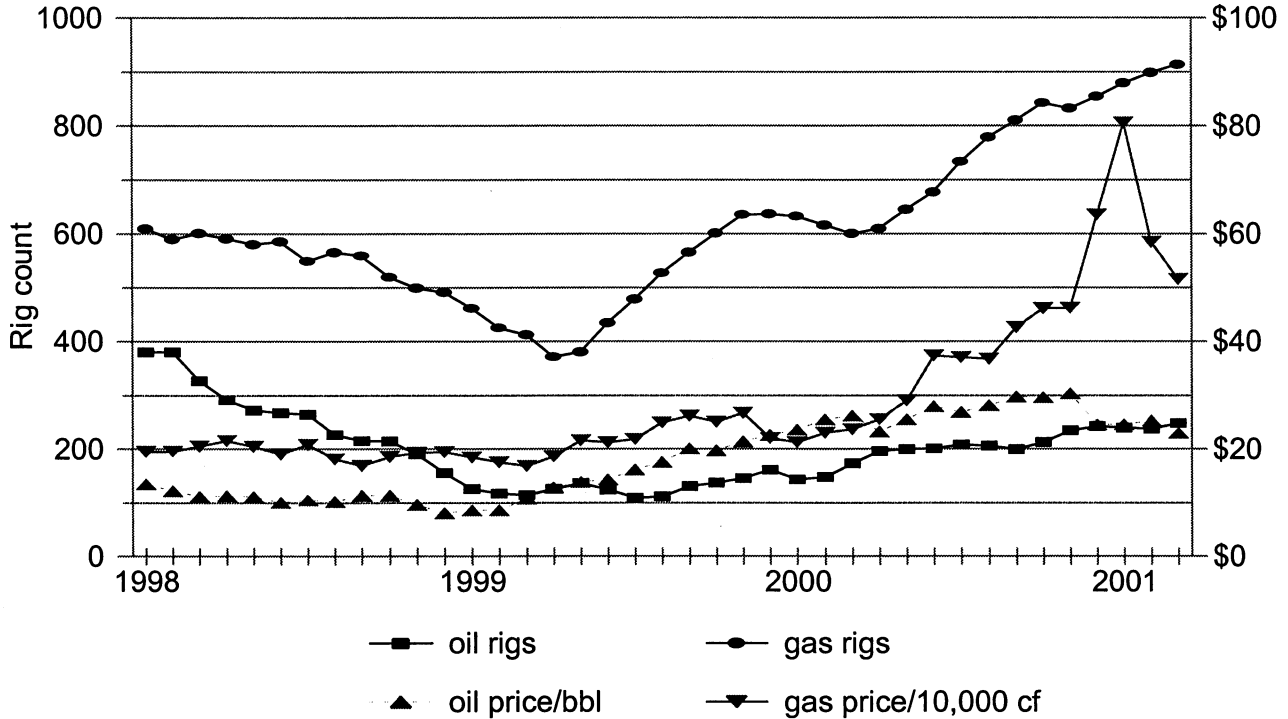
Since March 1, 2000, energy prices and drilling activity both have increased. In February 2000 the average price of natural gas at the wellhead was an estimated \$2.30 per thousand cubic feet. In February 2001 the average price of natural gas at the wellhead was an estimated \$5.84 per thousand cubic feet. In response, drilling activity increased from an average of 616 rotary drilling rigs in operation in the United States engaged in drilling for natural gas in February 2000 to 913 in March 2001. Since March 2000, oil prices and the number of oil wells drilled have increased, but at a slower rate than natural gas prices and drilling activity. *See figure V-1.*

Demand for natural gas transmission lines and distribution lines is also dependent on overall economic activity. From March 2000 through March 2001, the value of construction put in place in the United States in current dollars was highest in the summer and autumn months. The seasonally adjusted value, in constant 1996 dollars, declined irregularly to a low in July 2000, and has since increased slightly. *See table V-1.*

¹ In the original investigation, petitioners reported that approximately 95 percent of welded line pipe was used for the construction of natural gas pipelines, and less than 5 percent in the construction of petroleum pipelines. *See Circular Welded Carbon Quality Line Pipe*, Inv. No. TA-201-70, USITC Publication 3261, December 1999, p. I-18.

Figure V-1

Average monthly wellhead natural gas prices per 10,000 cubic feet, domestic first purchase oil prices per barrel, and number of operating rotary rigs, oil and natural gas, January 1998-March 2001



Source: Energy Information Administration *Monthly Energy Review*, April 2000 and July 2001.

Most responding domestic producers reported that demand for carbon quality line pipe in the U.S. market has declined since March 2000, or increased through mid-year 2000, and has since declined. Importers more often reported that demand has increased or is unchanged. *** reported that overall demand is unchanged, but demand for its products has declined due to the section 201 relief, and *** reported that the section 201 relief has stimulated demand for imports of line pipe from non-traditional sources. Fifteen responding purchasers reported increased purchases of domestic line pipe since March 1, 2000, eight reported no change in the level of domestic purchases, and nine reported decreased domestic purchases. Six responding purchasers reported increased purchases of imported line pipe since March 1, 2000, 11 reported no change in the level of import purchases, and eight reported decreased purchases of imports. Apparent U.S. annual consumption increased by 1.4 percent from 1999 to 2000, but was 24.9 percent lower in the first quarter of 2001 compared to the first quarter of 2000.

Substitute Products

There are few substitutes for subject line pipe used for the conveyance of oil and natural gas in gathering and transmission lines. Possible substitutes include seamless line pipe and large diameter line pipe. In some low-pressure applications, such as distribution of natural gas, polyethylene pipe may substitute for steel line pipe. Standard pipe is substitutable for line pipe in construction applications and for the low-pressure conveyance of water or other fluids.

Table V-1

Monthly value of new construction put in place in the United States, March 2000-March 2001, current dollars, and seasonally adjusted annual rate in 1996 dollars (millions)

Time period	Current	Seasonally adjusted annual rate
2000:		
March	61,785	731,866
April	64,979	716,767
May	69,773	711,128
June	72,711	697,815
July	73,140	689,991
August	77,038	696,887
September	76,203	704,745
October	73,535	694,626
November	69,485	695,672
December	60,744	695,391
2001:		
January	57,960	713,135
February	56,456	717,278
March	64,209	726,006

Source: United States Census Bureau *Monthly Value of Construction put in place in the United States*, <http://www.census.gov/pub/const/C30>, tables 3 and 5.

Importer *** reported in its questionnaire response that increased imports of standard pipe from Korea have led to a decline in the demand for line pipe, as this pipe is a substitute for line pipe in some applications.² Korean respondents report that a large share of Korean line pipe imported in 1998 and 1999 was dual-stenciled, and was used for standard and structural pipe purposes.³ Following imposition of import relief on line pipe, imports of Korean line pipe declined, but imports of standard and structural pipe from Korea increased from 164,868 short tons in the 12-month period from March 1999 through February 2000 to 246,414 short tons from March 2000 through February 2001.⁴

Importer *** reported in its questionnaire response that increased imports of standard pipe from China that are substitutable for line pipe in some applications have contributed to a decline in the demand for line pipe.⁵ Official import statistics indicate that imports of standard and structural pipe from China increased from 79,251 short tons in the 12 months preceding import relief to 176,657 short tons in the following 12 months.

² Importer questionnaire response, p. 12, and follow-up telephone conversation on May 1, 2001 with ***.

³ Korean respondents posthearing brief, pp. 11-12, and exhibit 7.

⁴ Official import statistics; includes imports under HTS numbers 7306.30.1010, 7306.30.5052, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090.

⁵ Importer questionnaire response, p. 12, and follow-up telephone conversation with ***.

Purchasers were asked if prices for substitute products had changed relative to the price of line pipe since March 1, 2000. Four purchasers reported that the relative prices for substitutes had increased, 13 purchasers reported no change in the relative price, and seven reported that the relative price of substitutes had declined. Of the latter group, four, ***⁶ reported shifting at least some purchases to ASTM or standard pipe. End-use purchaser *** reported no change in the relative price of substitutes, but reported that it has increased purchases of polyethylene pipe as a substitute for steel line pipe. Domestic line pipe producers *** also mentioned plastic or polyethylene pipe when asked if there had been any changes in substitute products.

FACTORS AFFECTING PRICES

Raw Material Costs

For firms producing line pipe from hot-rolled steel sheet in coils, raw materials account for the largest share of the cost of line pipe produced. For firms that produce line pipe from slabs or that produce steel from scrap, raw materials generally account for a lower share of the cost of goods sold. Responding domestic producers reported that on average, raw material costs accounted for somewhat over half the cost of line pipe sold in 2000 (table IV-6). The price of hot-rolled carbon steel sheet has generally declined over the period for which data were collected. Other than a slight increase in mid-2000, it has fallen fairly steadily since January 1998, and in March 2001 had fallen to 80.9 percent of its price in January 1998. The price of iron and steel scrap has been more volatile. *See* figure V-2.

Transportation Costs to the U.S. Market

Transportation costs for subject line pipe from major covered import sources⁷ to the United States are estimated to be 15.0 percent of the customs value on average. Transportation costs on covered line pipe from the four largest import sources in 2000 were: 19.9 percent on line pipe from Korea, 12.7 percent on line pipe from Germany, 17.1 percent on line pipe from Taiwan, and 6.7 percent on line pipe from Venezuela. These estimates are derived from official import data for 2000 and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with customs value, and exclude U.S. inland transportation costs.

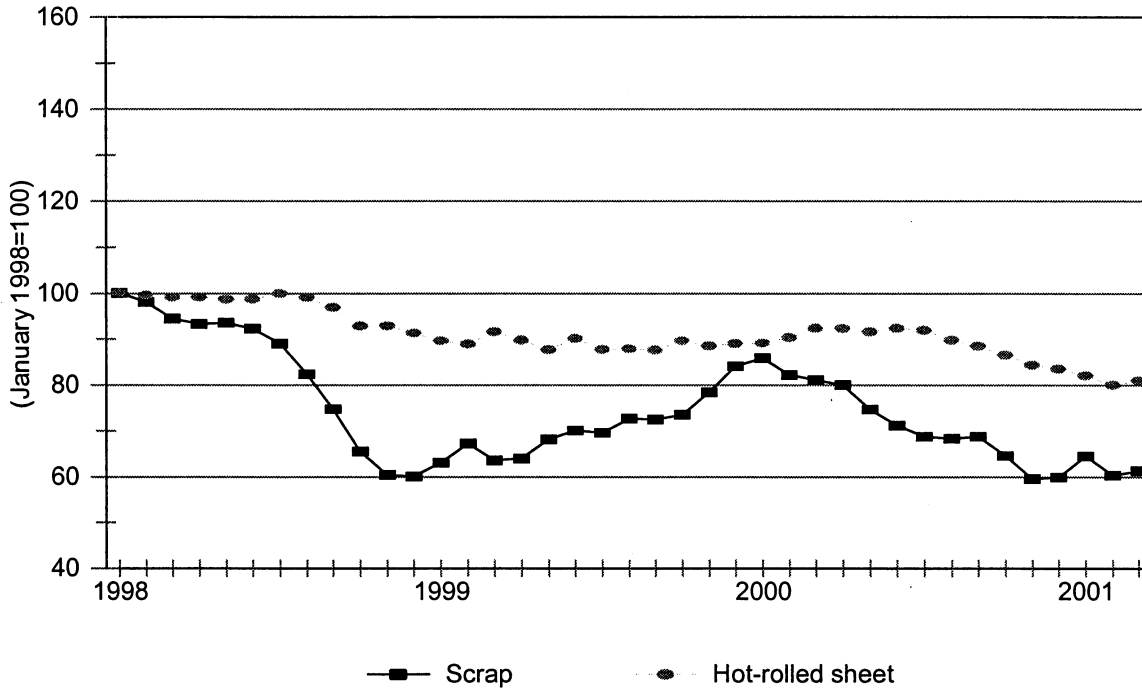
U.S. Inland Transportation Costs

In the original investigation, it was estimated that U.S. inland transportation costs accounted for between 3 and 10 percent of the delivered cost of line pipe for domestic producers, and for between 0 and 10 percent of the delivered cost for importers. Domestic producers reported a higher share of shipments to customers located more than 500 miles from their facilities. In this monitoring investigation, no domestic producers reported a change in the geographic area served. Other than the four responding importers that have halted sales of imported line pipe, only one importer reported a change in the geographic market in which the firm sells imported line pipe. *** reported that it had increased its sales area. ***.

⁶ *** is also an importer of line pipe.

⁷ Imports from Canada and Mexico are not included.

Figure V-2
Indices of prices for iron and steel scrap and hot-rolled carbon steel sheets, January 1998-March 2001



Note.--Data for March 2001 subject to revision.

Source: Bureau of Labor Statistics producer prices series WPU1012 and WPU10170311.

Exchange Rates

Quarterly data reported by the International Monetary Fund⁸ indicate that the currencies of most major import sources of line pipe except Korea have depreciated in value relative to the U.S. dollar since the first quarter of 1998, making imported line pipe relatively less expensive from these sources. The value of the Korean won relative to the U.S. dollar has appreciated in both nominal and real terms since the first quarter of 1998, but both the relative nominal and relative real values have fallen since the first quarter of 2000 when the section 201 relief on line pipe was imposed. The nominal value of the Venezuelan bolivar has fallen, and the real value increased, both since the first quarter of 1998 and since the first quarter of 2000. Since the first quarter of 2000, the U.S. dollar has increased in real value relative to the currencies of 7 of the top 10 covered import sources for line pipe. See table V-2 and figures in appendix G.⁹

⁸ Exchange rate data on the Taiwan NT dollar are not available from the International Monetary Fund. Data from the Central Bank of China (Republic of Taiwan) were used in this report.

⁹ Data concerning the real value of the currency of China are unavailable. The nominal value is unchanged.

Table V-2
Overall appreciation or depreciation for currencies of selected countries relative to the U.S. dollar,
first quarter 2000 - first quarter 2001

Country	Nominal exchange rate		Real exchange rate	
	Appreciation	Depreciation	Appreciation	Depreciation
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
China ¹	--	--	--	--
Colombia	--	13.7	--	9.3
Germany ²	--	6.5	--	12.5
Japan	--	9.3	--	1.4
Korea ²	--	11.5	--	6.2
South Africa ³	--	19.5	--	8.5
Taiwan	--	2.4	--	7.3
Turkey	--	29.3	--	13.0
United Kingdom ²	10.1	--	8.6	--
Venezuela ²	--	6.2	2.4	--

¹ Data on real relative exchange rates not available.
² Real relative exchange rate change first quarter 2000 to fourth quarter 2000.
³ Real relative exchange rate change first quarter 2000 to third quarter 2000.

Source: International Monetary Fund, *International Financial Statistics*, May 2001, and Central Bank of China, <http://www.cbc.gov.tw/economic/statistics/fs/index.htm>.

Distributor Inventories

One factor that may affect prices for line pipe is the level of distributor inventories of both domestic and imported line pipe. In the section 201 investigation, representatives of several domestic producers and distributors of line pipe testified that inventory levels of line pipe were an important determinant of price changes in the industry.¹⁰ Therefore, for this monitoring investigation, the Commission requested that purchasers report end-of-period inventories of line pipe for calendar years 1998-2000, and for March 2000 and 2001.¹¹ Many end users of line pipe keep no inventories of line pipe. Some distributors were unable to respond with meaningful estimates of inventory levels. Those purchasers that were able to provide end-of-year inventories reported that inventory levels increased on a quantity basis from 1998 to 1999, and again from 1999 to 2000.¹² See table V-3.

¹⁰ 201 injury transcript, pp. 29, 42, 44, 49, 51, 53, and 88, among others.

¹¹ Many distributors were unable to provide March inventory figures, and these quantities are not presented.

¹² Domestic producer *** noted in its response to the Commission's questionnaire that some consumers' and distributors' high inventory levels were currently depressing the price of line pipe.

Table V-3
Distributors' purchases and end-of-period inventories, and ratio of inventories to purchases of line pipe, 1998-2000

Item	1998	1999	2000
Purchases (<i>short tons</i>)	271,018	284,366	317,643
End-of-period inventories (<i>short tons</i>)	82,658	85,835	113,085
Share of purchases (<i>percent</i>)	30.5	30.2	35.6
Source: Compiled from data submitted in response to Commission questionnaires.			

PRICING PRACTICES

Pricing Methods

In the section 201 investigation, most domestic producers of line pipe reported that prices were determined through transaction-by-transaction negotiation. In this monitoring investigation, two domestic producers reported that prices are determined based on raw material costs subject to market conditions, and all other producers reported no change. Only 3 of 33 responding purchasers have offered a supply contract to a domestic producer since March 1, 2000. In the original investigation, importers overwhelmingly reported that prices are determined through transaction-by-transaction negotiation. In this investigation, all responding importers reported no change in how prices are determined, or reiterated that prices are determined through transaction-by-transaction negotiation, with the exception of ***, which reported that they had ceased U.S. sales of subject line pipe.

Sales Terms and Discounts

No importers reported any volume discounts on line pipe, either before or since March 1, 2000. Domestic producers reported no change in discount policy. One importer and two domestic producers reported offering discounts for prompt payment.

Overall Price Levels

Purchasers were asked to indicate whether prices of line pipe produced by domestic producers, and imported from Korea, Japan, Canada, Mexico, and other sources, had increased, decreased, or remained the same since March 1, 2000. Most responding purchasers reported that prices for domestic line pipe had increased. Most also reported that prices for welded line pipe from Japan had increased, and that prices of welded line pipe from Korea had decreased. See table V-4.

Table V-4
Perceived price changes for line pipe since March 1, 2000, by source

Source	Distributors		
	Increased	Remained the same	Decreased
Domestic mills	6	4	2
Japan	4	1	1
Korea	3	0	6
Canada	1	2	1
Mexico	1	3	1
Other	1	2	1
	End users		
	Increased	Remained the same	Decreased
Domestic mills	7	4	1
Japan	1	0	2
Korea	0	0	1
Canada	1	0	1
Mexico	1	0	2
Other	2	0	0
Source: Compiled from data submitted in response to Commission questionnaires.			

Domestic producers, importers, and purchasers were asked to rate the importance of 12 factors on the price of welded line pipe, and to indicate whether changes in these factors have tended to increase, decrease, or have had no effect on the price of welded line pipe since March 1, 2000. Factors reported as important or very important to the price of welded line pipe by domestic producers included changing market patterns,¹³ demand, competition between domestic producers, competition with imports, and raw material costs. Importers and distributors also reported that demand was important or very important to the price of welded line pipe, and end users reported that raw materials and energy costs were important or very important to the price of welded line pipe. See table V-5.

¹³ Changes noted include increased activity in the OCTG market, consolidation among distributors and end users, a slowing U.S. economy, and increased imports of large diameter line pipe and other nonsubject pipe.

Table V-5
The importance of factors on the price of line pipe since March 1, 2000

Item	Producers	Importers	Distributors	End users
Changing market patterns	2.2	1.5	1.5	1.1
Changes in demand	2.2	2.1	2.2	1.9
Competition between U.S. producers	2.1	1.7	1.6	1.5
Competition with other tubular products	0.9	1.2	1.3	0.9
Competition from imports	2.3	1.8	1.9	1.5
Cost of raw materials	2.1	1.9	1.6	2.1
Energy costs	1.4	1.3	1.3	2.3
Domestic production capacity	1.5	1.8	1.4	1.3
Productivity of domestic producers	1.6	1.3	1.2	1.0
Allocation of capacity to products	1.5	1.2	1.5	1.0
Labor agreements and contracts	1.5	0.4	0.7	1.0
Transportation/delivery costs	1.6	0.9	0.8	1.6
Other	NA	1.0	NA	0.0

Note.--Numbers in the table represent the average ranking of each factor by responding producers, importers, and purchasers, on a scale from 0 to 3 where 0 = not important, 1 = somewhat important, 2 = important, and 3 = very important.

Source: Compiled from data submitted in response to Commission questionnaires.

Of the factors rated by domestic producers as having the most impact on prices for welded line pipe, most producers reported that changes in market patterns and changes in demand since March 1, 2000 have tended to decrease prices (table V-6). *** reported that increased demand for OCTG has tended to increase prices for both OCTG and line pipe. *** reported that consolidation among distributors and end users has tended to lower prices for line pipe, and that higher oil and gas prices have actually lowered demand for line pipe “due to utilities’ inability to pass increases on to residential and industrial customers.” *** reported that increased imports of nonsubject large diameter line pipe and imports of subject line pipe from new sources of supply have tended to lower prices for line pipe.

Most producers reported that changes in the level of competition between domestic producers have had no effect on prices. Nearly half of domestic producers reported that changes in competition from imports have tended to decrease prices for line pipe since March 1, 2000 (although official import statistics indicate that imports of covered pipe decreased from 1999 to 2000, and were lower in first quarter 2001 than in first quarter 2000 (table II-2)). Responding producers reported that changes in the cost of raw materials have had no effect on the prices for welded line pipe or have tended to decrease prices for line pipe since March 1, 2000.

Change in demand was the only factor rated as important or very important by a majority of importers and distributors. Most responding distributors reported that changes in demand have tended to increase prices for welded line pipe since March 1, 2000. Most responding importers reported that changes in demand have had no effect on prices for welded line pipe since March 1, 2000.

Table V-6
The influence of factors on the price of line pipe since March 1, 2000

Item	Producers			Importers			Distributors			End users		
	I	N	D	I	N	D	I	N	D	I	N	D
Changing market patterns	1	5	7	2	10	6	4	7	3	2	5	1
Changes in demand	0	6	7	5	10	3	8	5	1	7	1	3
Competition between U.S. producers	2	10	2	2	9	6	1	11	2	3	6	2
Competition with other tubular products	2	11	1	5	10	3	3	7	3	2	9	0
Competition from imports	4	3	6	7	5	6	3	5	5	4	4	2
Cost of raw materials	0	6	8	7	6	5	3	5	4	5	3	1
Energy costs	8	5	0	8	9	0	5	7	0	8	3	0
Domestic production capacity	1	8	5	3	10	3	2	11	0	4	6	1
Productivity of domestic producers	5	7	1	5	10	2	2	11	0	1	6	1
Allocation of capacity to products	2	10	2	5	10	1	7	5	0	3	4	0
Labor agreements and contracts	0	13	0	2	14	0	1	11	0	1	5	0
Transportation/delivery costs	6	6	1	6	11	0	7	7	0	5	3	0

Note.—Numbers in the table represent the number of responding producers, importers, distributors, and end users that reported that changes in a factor have tended to increase prices (I), have had no effect (N), or have tended to decrease prices (D) for welded line pipe since March 1, 2000.

Source: Compiled from data submitted in response to Commission questionnaires.

The only factors rated as important or very important by a majority of end users were the cost of raw materials and energy costs. Most responding end users reported that changes in both raw materials and energy costs have tended to increase the prices for welded line pipe since March 1, 2000. While the index of prices for hot-rolled carbon steel sheet declined from March 2000 to March 2001, the average price for natural gas delivered to industrial customers increased from \$3.54 per thousand cubic feet in March 2000 to \$6.49 per thousand cubic feet in December, the latest month for which data are available.¹⁴

Overlap of Competition

Most sizes and grades of line pipe are reportedly available from multiple sources. Of 33 purchasers that provided information on this issue, 31 reported that there are no sizes or grades of line pipe that have been available from a single source since March 1, 2000. *** reported that some sizes or grades are available from only a single source, but did not specify the sizes or grades. *** reported that three sizes of heavy-walled pipe are available only from Japan. *** reported that there are no grades or sizes available from a single source, but that there are limited sources of supply for higher grades of line pipe.

Mannesmann Line Pipe GmbH, a foreign producer and exporter of line pipe, has argued that its HFI welded line pipe over 6 inches in diameter is used in deepwater oil and gas pipelines, and that domestic producers do not produce this product, nor a substitute that can be used in the same

¹⁴ Energy Information Administration, *Monthly Energy Review*, April 2001, p. 131.

applications. However, at least one domestic producer (Maverick) uses the HFI welding process to produce line pipe over 6 inches in diameter, and several domestic producers sell line pipe for deepwater applications.¹⁵ Domestic producer *** has provided welded line pipe for pipelines at depths of over *** feet. Domestic producer *** has provided welded line pipe for pipelines at depths of over *** feet. Sales of contact welded line pipe for deepwater applications by these domestic producers ***.¹⁶ Some customers specify HFI welded line pipe for deepwater applications. El Paso uses Mannesmann's HFI pipe in pipelines exceeding 1,500 feet depth.¹⁷ Purchaser ***.¹⁸

PRICE DATA

The Commission requested U.S. producers and importers of line pipe to provide quarterly data for the total quantity and value of line pipe that was shipped to unrelated customers in the U.S. market. Data were requested for the period January 1998 through March 2001. The products for which pricing data were requested are:

Product 1—API 5L B welded pipe, 4 inch nominal size (4.5 inches in OD), plain end, with wall thickness of 0.188 inch

Product 2—API 5L B welded pipe, 4 inch nominal size (4.5 inches in OD), plain end, with wall thickness of 0.237 inch

Product 3—API 5L B welded pipe, 6 inch nominal size (6 5/8 inches in OD), plain end, with wall thickness of 0.280 inch

Product 4—API 5L B welded pipe, 8 inch nominal size (8 5/8 inches in OD), plain end, with wall thickness of 0.250 inch

Product 5—API 5L B welded pipe, 12 inch nominal size (12.75 inches in OD), plain end, with wall thickness of 0.375 inch

Product 6—API 5L X52 welded pipe, 8 inch nominal size (8 5/8 inches in OD), plain end, with wall thickness of 0.188 inch

Responding domestic producers and importers were instructed to include data on line pipe certified to API specifications regardless of additional specifications (e.g., ASTM A53 specifications).

Fourteen U.S. producers and 16 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters. Pricing data reported by these firms accounted for approximately 38.0 percent of U.S. producers' shipments of line pipe and 12.9 percent of U.S. shipments of covered imports by responding importers in 2000. Many importers reported U.S. sales of the six requested products both before and after March 1, 2000, but others stopped importing or shifted sources of supply. See table V-7.

¹⁵ TR, pp. 90 and 92, and domestic producers' posthearing brief, exhibit 4.

¹⁶ See table I-3 for the quantity and value of deepwater line pipe sales by source.

¹⁷ Statement from El Paso received July 3, 2001.

¹⁸ *** supplemental purchaser questionnaire response, p. 5.

Table V-7

Line pipe: Firms that have ceased, begun, or shifted their source of imports

* * * * *

Price Trends

Weighted-average prices reported by domestic producers for all products reached relative low points in mid-1999. The average prices of products 1, 2, 4, and 5 reported by domestic producers increased through mid-2000, and have since fallen slightly. The average prices of products 3 and 6 reported by domestic producers were higher in the first quarter of 2001 than in any period since 1998. Price trends for all covered imports in the aggregate have roughly followed prices for domestic products, but at a lower level.

Price Comparisons

Imported line pipe undersold the comparable domestic product in 42 of 47 comparisons through the first quarter of 2000, and in each of the 20 instances in which comparisons could be made since the first quarter of 2000. Tables V-8 to V-13 compare reported sales of domestic products to aggregate subject imports. See appendix H for individual country comparisons.

Products 1 and 2 are both 4-inch nominal API grade B line pipe and differ only in wall thickness. Subject imports' reported volume for product 1 was low throughout the period for which data were collected. Imports of product 1 undersold domestic product in all quarters, by margins of 0.4 to 21.9 percent. Subject imports' reported volume for product 2 was higher than for product 1, and exceeded sales of domestic product in the second half of 1998. Subject imports undersold the domestic product in all periods, by margins of 5.0 percent to 25.7 percent. Margins were generally higher in early periods, although the highest margin of underselling was in the first quarter of 2000.

Products 3, 4, and 5 are all grade B line pipe, with nominal diameters of 6, 8, and 12 inches, respectively. Prices for all three domestic products were lowest in mid-year 1999. U.S. sales of the domestic product and subject imports were reported in every period. Aggregate imports undersold domestic product 3 in 12 of 13 periods, undersold domestic product 4 in 11 of 13 periods, and undersold domestic product 5 in 11 of 13 periods.

Product 6 is the only X52 grade pipe for which data were requested. U.S. sales of the domestic product were reported in every period, but U.S. sales of subject imports were reported for only the first two quarters of 1998. ***. Imports undersold the domestic product by margins of *** percent.

Table V-8

Welded line pipe: Quantities and weighted-average f.o.b. selling prices for product 1 reported by U.S. producers and importers of covered product, and margins of under/(over)selling, by quarters, January 1998-March 2001

Period	U.S. product		Subject imports		
	Quantity	Price	Quantity	Price	Margin
	<i>Short tons</i>	<i>Per ton</i>	<i>Short tons</i>	<i>Per ton</i>	<i>Percent</i>
1998 Jan.-Mar.	3,258	\$543.56	***	***	***
Apr.-June	5,407	524.89	***	***	***
July-Sept.	996	483.42	***	***	***
Oct.-Dec.	1,625	430.60	***	***	***
1999 Jan.-Mar.	1,873	422.47	***	***	***
Apr.-June	3,284	397.84	***	***	***
July-Sept.	3,748	396.25	***	***	***
Oct.-Dec.	4,478	418.60	***	***	***
2000 Jan.-Mar.	5,077	470.43	***	***	***
Apr.-June	4,508	494.81	***	***	***
July-Sept.	5,112	490.60	***	***	***
Oct.-Dec.	4,512	478.17	***	***	***
2001 Jan.-Mar.	4,269	470.26	***	***	***
Product 1-- API 5L B welded pipe, 4 inch nominal size, plain end, with wall thickness of 0.188 inch.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table V-9

Welded line pipe: Quantities and weighted-average f.o.b. selling prices for product 2 reported by U.S. producers and importers of covered product, and margins of under/(over)selling, by quarters, January 1998-March 2001

Period	U.S. product		Subject imports		
	Quantity	Price	Quantity	Price	Margin
	<i>Short tons</i>	<i>Per ton</i>	<i>Short tons</i>	<i>Per ton</i>	<i>Percent</i>
1998					
Jan.-Mar.	3,866	\$560.82	1,461	\$420.90	24.9
Apr.-June	2,320	528.16	1,759	409.39	22.5
July-Sept.	1,304	486.14	1,694	400.21	17.7
Oct.-Dec.	1,609	454.98	1,624	370.42	18.6
1999					
Jan.-Mar.	2,717	451.70	1,390	381.31	15.6
Apr.-June	2,401	421.75	1,767	346.03	18.0
July-Sept.	3,823	405.57	***	***	***
Oct.-Dec.	3,466	422.30	753	373.08	11.7
2000					
Jan.-Mar.	3,054	476.59	1,647	354.30	25.7
Apr.-June	4,902	455.10	442	432.56	5.0
July-Sept.	3,809	495.41	741	444.97	10.2
Oct.-Dec.	2,236	480.36	***	***	***
2001					
Jan.-Mar.	2,786	474.66	***	***	***
Product 2-API 5L B welded pipe, 4 inch nominal size, plain end, with wall thickness of 0.237 inch.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table V-10

Welded line pipe: Quantities and weighted-average f.o.b. selling prices for product 3 reported by U.S. producers and importers of covered product, and margins of under/(over)selling, by quarters, January 1998-March 2001

Period	U.S. product		Subject imports		
	Quantity	Price	Quantity	Price	Margin
	<i>Short tons</i>	<i>Per ton</i>	<i>Short tons</i>	<i>Per ton</i>	<i>Percent</i>
1998					
Jan.-Mar.	3,367	\$545.37	1,593	\$425.71	21.9
Apr.-June	5,638	498.89	2,422	430.36	13.7
July-Sept.	3,740	507.28	2,435	391.63	22.8
Oct.-Dec.	2,037	441.58	2,378	439.81	0.4
1999					
Jan.-Mar.	2,398	407.62	1,413	384.39	5.7
Apr.-June	3,290	390.86	2,882	404.51	(3.5)
July-Sept.	2,704	428.75	1,065	371.59	13.3
Oct.-Dec.	4,555	417.97	1,340	391.66	6.3
2000					
Jan.-Mar.	2,867	439.16	1,711	389.92	11.2
Apr.-June	3,932	483.54	886	415.96	14.0
July-Sept.	4,869	465.04	1,114	416.91	10.4
Oct.-Dec.	4,149	482.17	367	422.24	12.4
2001					
Jan.-Mar.	4,649	496.19	463	404.18	18.5
Product 3— API 5L B welded pipe, 6 inch nominal size, plain end, with wall thickness of 0.280 inch.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table V-11

Welded line pipe: Quantities and weighted-average f.o.b. selling prices for product 4 reported by U.S. producers and importers of covered product, and margins of under/(over)selling, by quarters, January 1998-March 2001

Period	U.S. product		Subject imports		
	Quantity	Price	Quantity	Price	Margin
	<i>Short tons</i>	<i>Per ton</i>	<i>Short tons</i>	<i>Per ton</i>	<i>Percent</i>
1998 Jan.-Mar.	4,806	\$527.52	***	***	***
Apr.-June	2,393	534.65	***	***	***
July-Sept.	1,962	455.56	924	362.13	20.5
Oct.-Dec.	***	***	575	390.98	***
1999 Jan.-Mar.	1,490	383.52	***	***	***
Apr.-June	2,423	374.27	***	***	***
July-Sept.	2,833	387.40	***	***	***
Oct.-Dec.	***	***	***	***	***
2000 Jan.-Mar.	4,985	447.53	866	353.76	21.0
Apr.-June	3,351	457.60	446	412.93	9.8
July-Sept.	4,522	512.80	369	408.14	20.4
Oct.-Dec.	1,495	470.81	***	***	***
2001 Jan.-Mar.	2,670	470.27	***	***	***
Product 4-API 5L B welded pipe, 8 inch nominal size, plain end, with wall thickness of 0.250 inch.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table V-12

Welded line pipe: Quantities and weighted-average f.o.b. selling prices for product 5 reported by U.S. producers and importers of covered product, and margins of under/(over)selling, by quarters, January 1998-March 2001

Period	U.S. product		Subject imports		
	Quantity	Price	Quantity	Price	Margin
	<i>Short tons</i>	<i>Per ton</i>	<i>Short tons</i>	<i>Per ton</i>	<i>Percent</i>
1998					
Jan.-Mar.	13,965	\$459.95	1,105	\$435.94	5.2
Apr.-June	17,417	458.06	1,020	419.43	8.4
July-Sept.	5,809	449.54	1,070	403.43	10.3
Oct.-Dec.	2,106	428.50	1,188	421.86	1.6
1999					
Jan.-Mar.	1,705	383.58	1,158	400.52	(4.4)
Apr.-June	***	***	1,413	409.78	***
July-Sept.	5,395	376.52	***	***	***
Oct.-Dec.	3,996	396.86	709	350.95	11.6
2000					
Jan.-Mar.	9,320	406.43	868	352.19	13.3
Apr.-June	5,914	429.04	851	416.95	2.8
July-Sept.	9,709	518.68	677	404.85	21.9
Oct.-Dec.	16,116	449.51	602	401.42	10.7
2001					
Jan.-Mar.	10,796	497.86	1,288	395.69	20.5
Product 5—API 5L B welded pipe, 12 inch nominal size, plain end, with wall thickness of 0.375 inch.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table V-13

Welded line pipe: Quantities and weighted-average f.o.b. selling prices for product 6 reported by U.S. producers and importers of covered product, and margins of under/(over)selling, by quarters, January 1998-March 2001

Period	U.S. product		Subject imports		
	Quantity	Price	Quantity	Price	Margin
	<i>Short tons</i>	<i>Per ton</i>	<i>Short tons</i>	<i>Per ton</i>	<i>Percent</i>
1998 Jan.-Mar.	7,960	\$524.77	***	***	***
Apr.-June	4,221	529.58	***	***	***
July-Sept.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
1999 Jan.-Mar.	2,945	375.02	***	***	***
Apr.-June	***	***	***	***	***
July-Sept.	1,292	396.95	***	***	***
Oct.-Dec.	2,178	415.90	***	***	***
2000 Jan.-Mar.	3,050	411.85	***	***	***
Apr.-June	4,279	489.45	***	***	***
July-Sept.	2,428	492.21	***	***	***
Oct.-Dec.	7,049	494.94	***	***	***
2001 Jan.-Mar.	5,479	508.18	***	***	***
Product 6-API 5L X52 welded pipe, 8 inch nominal size, plain end, with wall thickness of 0.188 inch.					
Source: Compiled from data submitted in response to Commission questionnaires.					

PART VI: THE FOREIGN INDUSTRIES

Welded line pipe is produced in many countries around the world. The Commission received 13 foreign producer questionnaire responses representing six countries.¹

THE INDUSTRY IN KOREA

The Commission received foreign producer questionnaire responses from four companies in Korea: Dongbu, Hyundai, SeAH, and Shinho. Data on capacity, production, shipments, and inventories of welded line pipe by the four firms are presented in tables VI-1 and VI-2.

Table VI-1
Welded line pipe: Producers in Korea, and shares of reported production and exports to the United States, 1998-2000

Firm	Share of production (percent)			Share of exports to the United States (percent)		
	1998	1999	2000	1998	1999	2000
Dongbu ¹	***	***	***	***	***	***
Hyundai	***	***	***	***	***	***
Shinoh	***	***	***	***	***	***
SeAH	***	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0	100.0
¹ Dongbu has reportedly "****" (foreign producer questionnaire response, p. 3). Source: Compiled from data submitted in response to Commission questionnaires.						

¹ Data on foreign operations were not requested from Canada and Mexico as these countries are excluded from the import relief action. During 1998, capacity to produce the subject product in Canada was reported at *** tons by ***, and 179,000 tons by 5 producers in Mexico.

Table VI-2

Welded line pipe: Data for reporting producers in Korea, 1998-2000, January-March 2000, January-March 2001, and projected 2001 and 2002

Item	Calendar year			January-March		Projected	
	1998	1999	2000	2000	2001	2001	2002
	Quantity (short tons)						
Capacity	360,550	345,730	340,380	77,600	77,250	339,000	339,000
Production	252,541	251,670	145,764	54,506	32,780	156,254	173,227
End-of-period inventories	5,207	13,526	12,865	9,650	11,600	4,049	2,596
Shipments:							
Internal consumption	0	0	0	0	0	0	0
Home market	9,000	12,457	11,135	2,756	8,871	15,005	15,425
Exports to:							
United States	152,075	103,152	25,859	22,006	6,922	15,823	17,025
All other markets	94,753	127,741	109,430	33,621	24,250	134,243	142,230
Total exports	246,828	230,893	135,289	55,627	31,172	150,066	159,255
Total shipments	255,828	243,350	146,424	58,383	40,043	165,071	174,680
	Ratios and shares (percent)						
Capacity utilization	70.0	72.8	42.8	70.2	42.4	46.1	51.1
Inventories/production	2.1	5.4	8.8	4.4	8.8	2.6	1.5
Inventories/shipments	2.0	5.6	8.8	4.1	7.2	2.5	1.5
Share of total shipments:							
Internal consumption	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Home market	3.5	5.1	7.6	4.7	22.2	9.1	8.8
Exports to:							
United States	59.4	42.4	17.7	37.7	17.3	9.6	9.7
All other markets	37.0	52.5	74.7	57.6	60.6	81.3	81.4
Total exports	96.5	94.9	92.4	95.3	77.8	90.9	91.2
Source: Compiled from data submitted in response to Commission questionnaires.							

All four firms reportedly produce other pipe products, such as OCTG; large-diameter line pipe; and standard, structural, and other pipe, on the same machinery and equipment used to produce the subject line pipe. Their product mix is reportedly determined by market demand. Data on capacity and production for all products by manufacturers in Korea are presented in the following tabulation:

Item	1998	1999	2000
	Quantity (short tons)		
Annual capacity for all products	1,891,000	1,923,000	1,923,000
Production:			
Subject products	252,541	251,730	145,764
Standard pipe	635,767	676,773	799,811
Structural pipe	294,661	365,400	374,969
OCTG	33,852	7,422	51,098
Large-diameter line pipe ¹	175,652	154,297	98,010
Other ²	71,509	131,617	154,205
All products	1,463,982	1,587,239	1,623,857
	Share of production (percent)		
Subject products	17.3	15.9	9.0
Standard pipe	43.4	42.6	49.3
Structural pipe	20.1	23.0	23.1
OCTG	2.3	0.5	3.1
Large-diameter line pipe	12.0	9.7	6.0
Other	4.9	8.3	9.5
Total	100.0	100.0	100.0
	Capacity utilization (percent)		
All products	77.4	82.5	84.4
Subject products	70.0	72.8	42.8
¹ Welded line pipe greater than 16 inches OD. ² Includes standard and structural pipe greater than 16 inches OD; redraw hollows; and boiler, chemical, and pressure tubing.			

THE INDUSTRY IN JAPAN

The Commission received four foreign producer questionnaire responses from companies in Japan: Kawasaki, Nippon, NKK, and Sumitomo. Data on capacity, production, shipments, and inventories of welded line pipe by the four firms are presented in tables VI-3 and VI-4.

Table VI-3
Welded line pipe: Producers in Japan, and shares of reported production and exports to the United States, 1998-2000

Firm	Share of production (percent)			Share of exports to the United States (percent)		
	1998	1999	2000	1998	1999	2000
Kawasaki	***	***	***	***	***	***
Nippon	***	***	***	***	***	***
NKK	***	***	***	***	***	***
Sumitomo	***	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0	100.0
Source: Compiled from data submitted in response to Commission questionnaires.						

Table VI-4

Welded line pipe: Data for reporting producers in Japan, 1998-2000, January-March 2000, January-March 2001, and projected 2001 and 2002

Item	Calendar year			January-March		Projected	
	1998	1999	2000	2000	2001	2001	2002
	Quantity (short tons)						
Capacity	97,290	97,114	50,953	10,790	21,781	72,711	72,711
Production	84,002	85,269	42,767	7,951	20,099	67,733	66,759
End-of-period inventories	3,081	4,546	7,147	3,414	5,549	6,298	6,298
Shipments:							
Internal consumption	***	0	0	0	0	0	0
Home market	***	1,237	692	225	191	1,452	1,452
Exports to:							
United States	23,526	2,390	2,230	0	0	6,424	6,250
All other markets	55,006	80,177	37,244	8,858	21,506	60,706	59,057
Total exports	78,532	82,567	39,474	8,858	21,506	67,130	65,307
Total shipments	83,805	83,804	40,166	9,083	21,697	68,582	66,759
	Ratios and shares (percent)						
Capacity utilization	86.3	87.8	83.9	73.7	92.3	93.2	91.8
Inventories/production	3.7	5.3	16.7	10.7	6.9	9.3	9.4
Inventories/shipments	3.7	5.4	17.8	9.4	6.4	9.2	9.4
Share of total shipments:							
Internal consumption	***	0.0	0.0	0.0	0.0	0.0	0.0
Home market	***	1.5	1.7	2.5	0.9	2.1	2.2
Exports to:							
United States	28.1	2.9	5.6	0.0	0.0	9.4	9.4
All other markets	65.6	95.7	92.7	97.5	99.1	88.5	88.5
Total exports	93.7	98.5	98.3	97.5	99.1	97.9	97.8
Source: Compiled from data submitted in response to Commission questionnaires.							

All four firms reportedly produce other pipe products, such as OCTG; large-diameter line pipe; and standard, structural, and other pipe, on the same machinery and equipment used to produce the subject line pipe. Their product mix is reportedly determined by market demand. Data on capacity and production for all products produced by manufacturers in Japan are presented in the following tabulation:

Item	1998	1999	2000
	Quantity (short tons)		
Annual capacity for all products	1,461,703	1,279,688	1,229,688
Production:			
Subject products	84,002	85,269	42,767
Standard pipe	313,296	297,006	299,967
Structural pipe	333,407	297,052	374,478
OCTG	97,425	39,085	52,848
Large-diameter line pipe ¹	334,085	256,413	217,094
Other ²	123,447	115,326	116,075
All products	1,285,662	1,090,151	1,103,229
	Share of production (percent)		
Subject products	6.5	7.8	3.9
Standard pipe	24.4	27.2	27.2
Structural pipe	25.9	27.2	33.9
OCTG	7.6	3.6	4.8
Large-diameter line pipe	26.0	23.5	19.7
Other	9.6	10.6	10.5
Total	100.0	100.0	100.0
	Capacity utilization (percent)		
All products	88.0	85.2	89.7
Subject products	86.3	87.8	83.9
¹ Welded line pipe greater than 16 inches OD. ² Includes alloy, arctic-grade, mechanical, and piling pipe.			

THE INDUSTRY IN GERMANY

The Commission received one foreign producer questionnaire response from a company in Germany: Mannesmann. Data on capacity, production, shipments, and inventories of welded line pipe by the firm are presented in table VI-5.

Table VI-5

Welded line pipe: Data for reporting producers in Germany, 1998-2000, January-March 2000, January-March 2001, and projected 2001 and 2002

* * * * *

Mannesmann reportedly produces other products such as *** on the same machinery and equipment used to produce the subject line pipe. Its product mix is reportedly determined by market demand. Data on capacity and production for all products produced by Mannesmann in Germany are presented in the following tabulation:

* * * * *

THE INDUSTRY IN THE UNITED KINGDOM

The Commission received one foreign producer questionnaire response from a company in the United Kingdom: Corus Group plc.² Data on capacity, production, shipments, and inventories of welded line pipe by the firm are presented in table VI-6.

Table VI-6

Welded line pipe: Data for reporting producers in the United Kingdom, 1998-2000, January-March 2000, January-March 2001, and projected 2001 and 2002

* * * * *

Corus Group reportedly produces other pipe products, such as large-diameter line pipe, OCTG, and standard, structural, and other pipe, on the same machinery and equipment used to produce the subject line pipe. Data on capacity and production for all products produced by Corus Group in the United Kingdom are presented in the following tabulation:

* * * * *

² Corus Group plc was incorporated as BSKH plc in July 1999 for the purpose of the merger of British Steel plc and Koninklijke Hoogovens N.V. On October 8, 1999, the merger was completed and British Steel plc became a wholly owned subsidiary of Corus Group plc (retrieved on June 12, 2001, at <http://www.yahoo.com/business>).

THE INDUSTRY IN VENEZUELA

The Commission received one foreign producer questionnaire response from a company in Venezuela: CA Conduven. Data on capacity, production, shipments, and inventories of welded line pipe by the firm are presented in table VI-7.

Table VI-7

Welded line pipe: Data for reporting producers in Venezuela, 1998-2000, January-March 2000, January-March 2001, and projected 2001 and 2002

* * * * *

CA Conduven reportedly produces other pipe products, such as OCTG and standard, structural, and other pipe, on the same machinery and equipment used to produce the subject line pipe. Data on capacity and production for all products produced by CA Conduven in Venezuela are presented in the following tabulation:

* * * * *

THE INDUSTRY IN TURKEY

The Commission received foreign producer questionnaire responses from two companies in Turkey: Mannesmann Boru and Borusan Birlesik. Data on capacity, production, shipments, and inventories of welded line pipe for the two firms are presented in table VI-8.

Table VI-8

Welded line pipe: Data for reporting producers in Turkey, 1998-2000, January-March 2000, January-March 2001, and projected 2001 and 2002

* * * * *

The two firms reportedly produce other pipe products, such as OCTG and standard and structural pipe, on the same machinery and equipment used to produce the subject line pipe. Data on capacity and production for all products produced by the two firms in Turkey are presented in the following tabulation:

* * * * *

ALL REPORTING COUNTRIES COMBINED

Data on capacity, production, shipments, and inventories of welded line pipe for reporting producers in six of the countries covered by the import relief action, accounting for 62 percent of total imports from covered countries, are presented in table VI-9.³ Data on capacity and production for all products produced on the same machinery and equipment used to produce the subject line pipe for all countries combined are presented in the following tabulation:

Item	1998	1999	2000
	Quantity (short tons)		
Annual capacity for all products	5,258,703	5,017,153	5,042,153
Production:			
Subject products	594,965	552,352	467,664
Standard pipe	1,228,238	1,214,767	1,432,716
Structural pipe	1,187,822	1,164,666	1,298,727
OCTG	255,103	135,285	290,101
Large-diameter line pipe ¹	704,501	468,881	475,175
Other ²	493,041	447,348	434,629
All products	4,463,670	3,983,299	4,399,012
	Share of production (percent)		
Subject products	13.3	13.9	10.6
Standard pipe	27.5	30.5	32.6
Structural pipe	26.6	29.2	29.5
OCTG	5.7	3.4	6.6
Large diameter line pipe	15.8	11.8	10.8
Other	11.0	11.2	9.9
Total	100.0	100.0	100.0
	Capacity utilization (percent)		
All products	84.9	79.4	87.2
Subject products	65.3	63.2	56.8
¹ Welded line pipe greater than 16 inches OD. ² Includes alloy and arctic-grade pipe; boiler, mechanical, and pressure tubing; conduit shells; furniture pipe; limited service pipe; piling pipe; redraw hollows; and standard and structural pipe greater than 16 inches OD.			

³ Covered sources not represented in the data include China, Taiwan, South Africa, Indonesia, Colombia, Greece, and Chile.

Table VI-9

Welded line pipe: Data for reporting producers in all countries, 1998-2000, January-March 2000, January-March 2001, and projected 2001 and 2002

Item	Calendar year			January-March		Projected	
	1998	1999	2000	2000	2001	2001	2002
	Quantity (short tons)						
Capacity	911,382	874,340	822,829	196,264	206,905	843,207	843,207
Production	594,965	552,292	467,664	108,787	120,532	547,887	567,241
End-of-period inventories	14,277	22,042	25,768	16,638	20,422	13,192	11,004
Shipments:							
Internal consumption	523	3	0	0	0	0	0
Home market	126,450	86,380	124,197	35,036	40,581	148,182	152,277
Exports to:							
United States	208,117	114,308	53,603	22,301	12,543	58,127	59,155
All other markets	267,571	344,285	286,147	77,565	77,336	358,499	363,347
Total exports	475,688	458,593	339,750	99,866	89,879	416,626	422,502
Total shipments	602,661	544,976	463,947	134,902	130,460	564,808	574,779
	Ratios and shares (percent)						
Capacity utilization	65.3	63.2	56.8	55.4	58.3	65.0	67.3
Inventories/production	2.4	4.0	5.5	3.8	4.2	2.4	1.9
Inventories/shipments	2.4	4.0	5.6	3.1	3.9	2.3	1.9
Share of total shipments:							
Internal consumption	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Home market	21.0	15.9	26.8	26.0	31.1	26.2	26.5
Exports to:							
United States	34.5	21.0	11.6	16.5	9.6	10.3	10.3
All other markets	44.4	63.2	61.7	57.5	59.3	63.5	63.2
Total exports	78.9	84.1	73.2	74.0	68.9	73.8	73.5
Source: Compiled from data submitted in response to Commission questionnaires.							

U.S. IMPORTERS' INVENTORIES

Inventories held by importers responding to the Commission's questionnaires are presented in table VI-10.

Table VI-10

Welded line pipe: U.S. importers' end-of-period inventories of imports from selected countries, 1998-2000, January-March 2000, and January-March 2001

* * * * *

APPENDIX A
FEDERAL REGISTER NOTICES

COLORADO**Larimer County**

Loveland State Amory, 201 S. Lincoln Ave.,
Loveland, 01000350

New London County

Kinne Cemetery, Jarvis Rd., Griswold,
01000351

CONNECTICUT**Litchfield County**

Watertown Center Historic District, Roughly
along Deforest, Main, Wood Ruff,
Woodbury, North and Warren Sts.,
Watertown, 01000352

New Haven County

Hamden Memorial Town Hall, 2372 Whitney
Ave., Hamden, 01000355

Sheffield Street Bridge, Sheffield St. over
Hancock Brook, Waterbury, 01000353

Washington Avenue Bridge, Washington
Ave. over Mad River, Waterbury, 01000354

Tolland County

Bolton Green Historic District, Roughly the
Green, 219,220,222,228,233,266 Bolton
Center Rd. and 3 Hebron Rd., Bolton,
01000357

INDIANA**Floyd County**

Pike Inn, Old, 941 State St., New Albany,
01000358

Huntington County

Young—Yentes—Mattern Farm, Jct. of 900
W. Rd. and 400 N. Rd., Huntington,
01000361

Monroe County

Legg House, 324 S. Henderson, Bloomington,
01000359

St. Joseph County

Wertz—Bestle Farm, 51387 Portage Rd.,
South Bend, 01000356

Stauben County

Fox Lake, 60—760 Lane 130, Angola,
01000360

KANSAS**Harvey County**

Hoag, E.H., House, 303 W. Broadway,
Newton, 01000362

KENTUCKY**Campbell County**

Newport and Cincinnati Bridge, Over Ohio
River, Newport, 01000363

LOUISIANA**Caddo Parish**

Highland Historic District, Roughly bounded
by Stoner, Centenary, Kings Hwy, and Line
Ave., Shreveport, 01000365

Vernon Parish

Downtown Leesville Historic District, Third
St. bet. roughly Lula and Lee Sts.,
Leesville, 01000366

MAINE**Androscoggin County**

Androscoggin Mill Block, 269—271 Park St.,
Lewiston, 01000367

Cumberland County

Scribner Homestead, 244 Scribner's Mill Rd.,
Bolsters Mills, 01000368

Kennebec County

Riverview House, Rte. 201, 0.15 SE of jct.
with Old Federal Rd., Vassalboro,
01000369

Washington County

Calais Free Library, (Maine Public Libraries
MPS) Union St., 0.05 mi. NW of jct. with
US 1, Calais, 01000370

York County

Alfred Shaker Historic District, Both sides of
Shaker Hill Rd., Alfred, 01000371

MARYLAND**Anne Arundel County**

Mt. Tabor Methodist Episcopal Church, 1421
St. Stephens Rd., Crownsville, 01000373

Parkhurst, 1059 Cumberstone Rd., Harwood,
01000372

NORTH CAROLINA**Forsyth County**

Bahnson, Agnew Hunter, House, Jct. of W.
Fifth and Spring Sts., Winston-Salem,
01000375

Wachovia Building, 301 N. Main St.,
Winston-Salem, 01000376

Guilford County

World War Memorial Stadium, 510
Yanceyville St., Greensboro, 01000377

Mecklenburg County

Carolina School Supply Company Building
(Former), 1023 W. Morehead St., Charlotte,
01000374

OHIO**Franklin County**

Jeffrey Manufacturing Company Office
Building, 224 E. First Ave., 883 and 895 N.
Sixth St., Columbus, 01000379
St. Clair Hospital, 338—344 and 346 St. Clair
Ave., Columbus, 01000378

Hamilton County

Newport and Cincinnati Bridge, Spans Ohio
River, Cincinnati, 01000364

TENNESSEE**Bradley County**

Hardwick Woolen Mills, 445 Church St., SE,
Cleveland, 01000380

Hamilton County

Bachman, Nathan L. School, 281 Anderson
Pike, Walden, 01000381

Washington County

St. Paul AME Zion Church, 201 Welbourne
St., Johnson City, 01000382

[FR Doc. 01-7097 Filed 3-21-01; 8:45 am]

BILLING CODE 4310-70-P

**INTERNATIONAL TRADE
COMMISSION**

[Investigation No. TA-204-5]

**Certain Circular Welded Carbon
Quality Line Pipe: Monitoring
Developments in the Domestic
Industry**

AGENCY: United States International
Trade Commission.

ACTION: Institution and scheduling of an
investigation under section 204(a) of the
Trade Act of 1974 (19 U.S.C. 2254(a))
(the Act).

SUMMARY: The Commission instituted
the investigation for the purpose of
preparing the report to the President
and the Congress required by section
204(a)(2) of the Trade Act of 1974 on the
results of its monitoring of
developments with respect to the
domestic certain circular welded carbon
quality line pipe industry since the
President imposed a tariff on imports of
certain circular welded carbon quality
line pipe¹ effective March 1, 2000.

For further information concerning
the conduct of this investigation,
hearing procedures, and rules of general
application, consult the Commission's
Rules of Practice and Procedure, part
201, subparts A through E (19 CFR part
201), and part 206, subparts A and F (19
CFR part 206).

EFFECTIVE DATE: March 15, 2001.

FOR FURTHER INFORMATION CONTACT:

Diane J. Mazur (202-205-3184), Office
of Investigations, U.S. International
Trade Commission, 500 E Street SW.,
Washington, DC 20436. Hearing-
impaired persons can obtain
information on this matter by contacting
the Commission's TDD terminal on 202-
205-1810. Persons with mobility
impairments who will need special
assistance in gaining access to the
Commission should contact the Office
of the Secretary at 202-205-2000.
General information concerning the
Commission may also be obtained by
accessing its internet server ([http://
www.usitc.gov](http://www.usitc.gov)). The public record for
this investigation may be viewed on the
Commission's electronic docket (EDIS-
ON-LINE) at [http://dockets.usitc.gov/
eol/public](http://dockets.usitc.gov/eol/public).

¹ Includes welded carbon quality line pipe of
circular cross section, of a kind used for oil and gas
pipelines, whether or not stenciled, and not more
than 16 inches (406.4 mm) in outside diameter.
This investigation excludes goods commonly
described in commercial usage as arctic grade line
pipe. The products are classified in subheadings
7306.10.10 and 7306.10.50 of the Harmonized Tariff
Schedule of the United States. For a detailed
description of the subject merchandise, see the
annex to Presidential Proclamation 7274 (65 FR
9195, February 23, 2000).

SUPPLEMENTARY INFORMATION:

Background.—Following receipt of a report from the Commission in December 1999 under section 202 of the Trade Act of 1974 (19 U.S.C. 2252) containing an affirmative determination and remedy recommendations, the President, on February 18, 2000, pursuant to section 203 of the Trade Act of 1974 (19 U.S.C. 2253), issued Proclamation 7274, imposing import relief in the form of a tariff on imports of circular welded carbon quality line pipe for a period of 3 years and 1 day, effective March 1, 2000. Section 204(a)(1) of the Trade Act of 1974 (19 U.S.C. 2254(a)(1)) requires that the Commission, so long as any action under section 203 of the Trade Act remains in effect, monitor developments with respect to the domestic industry, including the progress and specific efforts made by workers and firms in the domestic industry to make a positive adjustment to import competition. Section 204(a)(2) requires, whenever the initial period of an action under section 203 of the Trade Act exceeds 3 years, that the Commission submit a report on the results of the monitoring under section 204(a)(1) to the President and the Congress not later than the midpoint of the initial period of the relief, or by August 30, 2001, in this case. Section 204(a)(3) requires that the Commission hold a hearing in the course of preparing each such report.

Participation in the investigation and service list.—Persons wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, not later than 14 days after publication of this notice in the *Federal Register*. The Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance.

Public hearing.—As required by statute, the Commission has scheduled a hearing in connection with this investigation. The hearing will be held beginning at 9:30 a.m. on June 28, 2001, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before June 20, 2001. All persons desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on June 25, 2001, at the U.S. International Trade Commission Building. Oral testimony and written

materials to be submitted at the hearing are governed by sections 201.6(b)(2) and 201.13(f) of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written submissions.—Each party is encouraged to submit a prehearing brief to the Commission. The deadline for filing prehearing briefs is June 22, 2001. Parties may also file posthearing briefs. The deadline for filing posthearing briefs is July 6, 2001. In addition, any person who has not entered an appearance as a party to the investigation may submit, on or before July 6, 2001, a written statement concerning the matters to be addressed in the Commission's report to the President. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the Commission's rules. The Commission's rules do not authorize the filing of submissions with the Secretary by facsimile or electronic means.

In accordance with section 201.16(c) of the Commission's rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by the service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This investigation is being conducted under the authority of section 204(a) of the Trade Act of 1974; this notice is published pursuant to section 206.3 of the Commission's rules.

Issued: March 16, 2001.

By order of the Commission.

Donna R. Koehnke,
Secretary.

[FR Doc. 01-7123 Filed 3-21-01; 8:45 am]
BILLING CODE 7020-02-P

DEPARTMENT OF JUSTICE

Office of Community Oriented Policing Services; Agency Information Collection Activities: Proposed Collection; Comments Requested; Partnering To Respond To Domestic Violence Survey

ACTION: Notice of information collection under review; new collection.

The Department of Justice, Office of Community Oriented Policing, has submitted the following information collection request to the Office of

Management and Budget (OMB) for review and clearance in accordance with emergency review procedures of the Paperwork Reduction Act of 1995. OMB approval has been requested by April 1, 2001. The proposed information collection is published to obtain comments from the public and affected agencies. If granted, the emergency approval is only valid for 180 days. Comments should be directed to OMB, Office of Information Regulation Affairs, Attention: Department of Justice Desk Officer (202) 395-3122, Washington, DC 20530.

During the first 60 days of this same review period, a regular review of this information collection is also being undertaken. All comments and suggestions, or questions regarding additional information, to include obtaining a copy of the proposed information collection instrument with instructions, should be directed to Matthew Scheider, Office of Community Oriented Policing, 1110 Vermont Avenue NW., Washington, DC 20531.

Request written comments and suggestions from the public and affected agencies concerning the proposed collection of information. Your comments should address one or more of the following four points:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Overview of This Collection

(1) *Type of Information Collection:* New Collection.

(2) *Title of the Form/Collection:* Partnering to Respond to Domestic Violence Survey.

(3) *Agency Form Number, if any, the Applicable Component of the Department of Justice Sponsoring the Collection:* Form: COPS PPSE/05. Office of Community Oriented Policing Services, U.S. Department of Justice.



Federal Register

Wednesday,
February 23, 2000

Part VIII

The President

Proclamation 7274—To Facilitate Positive Adjustment to Competition From Imports of Certain Circular Welded Carbon Quality Line Pipe

Memorandum of February 18, 2000—Action Under Section 203 of the Trade Act of 1974 Concerning Line Pipe

Presidential Documents

Title 3—

Proclamation 7274 of February 18, 2000

To Facilitate Positive Adjustment to Competition From Imports of Certain Circular Welded Carbon Quality Line Pipe**By the President of the United States of America****A Proclamation**

1. On December 22, 1999, the United States International Trade Commission (USITC) transmitted to the President an affirmative determination in its investigation under section 202 of the Trade Act of 1974, as amended (the "Trade Act") (19 U.S.C. 2252), with respect to imports of certain circular welded carbon quality line pipe (line pipe) provided for in subheadings 7306.10.10 and 7306.10.50 of the Harmonized Tariff Schedule of the United States (HTS). The USITC determined that line pipe is being imported in such increased quantities as to be a substantial cause of serious injury or the threat of serious injury to the domestic industry producing a like or directly competitive article.

2. Pursuant to section 311(a) of the North American Free Trade Agreement Implementation Act (the "NAFTA Implementation Act") (19 U.S.C. 3371(a)), the USITC made negative findings with respect to imports of line pipe from Mexico and Canada. The USITC also transmitted to the President its recommendations made pursuant to section 202(e) of the Trade Act (19 U.S.C. 2252(e)) with respect to the action that would address the serious injury or threat thereof to the domestic industry and be most effective in facilitating the efforts of the domestic industry to make a positive adjustment to import competition.

3. Pursuant to section 203 of the Trade Act (19 U.S.C. 2253), and after taking into account the considerations specified in section 203(a)(2) of the Trade Act, I have determined to implement action of a type described in section 203(a)(3). Pursuant to section 312(a) of the NAFTA Implementation Act (19 U.S.C. 3372(a)), I have determined that imports of line pipe from Mexico, considered individually, do not contribute importantly to the serious injury, or threat of serious injury, found by the USITC, and that imports from Canada, considered individually, do not contribute importantly to such injury or threat. Accordingly, pursuant to section 312(b) of the NAFTA Implementation Act (19 U.S.C. 3372(b)), I have excluded line pipe the product of Mexico or Canada from the action I am taking under section 203 of the Trade Act.

4. Such action shall take the form of an increase in duty on imports of certain line pipe provided for in HTS subheadings 7306.10.10 and 7306.10.50, imposed for a period of 3 years plus 1 day, with the first 9,000 short tons of imports that are the product of each supplying country excluded from the increased duty during each year that this action is in effect, and with annual reductions in the rate of duty in the second and third years, as provided for in the Annex to this proclamation.

5. Except for products of Mexico and Canada, which shall be excluded from this action, the increase in duty shall apply to imports of line pipe from all countries. Pursuant to section 203(a)(1)(A) of the Trade Act (19 U.S.C. 2253(a)(1)(A)), I have further determined that this action will facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs.

6. Section 604 of the Trade Act, as amended (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to sections 203 and 604 of the Trade Act, do proclaim that:

(1) In order to establish an increase in duty on imports of certain line pipe classified in HTS subheadings 7306.10.10 and 7306.10.50, subchapter III of chapter 99 of the HTS is modified as provided in the Annex to this proclamation.

(2) Such imported line pipe that is the product of Mexico or of Canada shall not be subject to the increase in duty established by this proclamation.

(3) I hereby suspend, pursuant to section 503(c)(1) of the Trade Act (19 U.S.C. 2463(c)(1)), duty-free treatment for line pipe the product of beneficiary countries under the Generalized System of Preferences (GSP) (Title V of the Trade Act, as amended (19 U.S.C. 2461-2467)); pursuant to section 213(e)(1) of the Caribbean Basin Economic Recovery Act, as amended (CBERA) (19 U.S.C. 2703(e)(1)), duty-free treatment for line pipe the product of beneficiary countries under that Act (19 U.S.C. 2701-2707); pursuant to section 204(d)(1) of the Andean Trade Preference Act, as amended (ATPA) (19 U.S.C. 3203(d)(1)), duty-free treatment for line pipe the product of beneficiary countries under that Act (19 U.S.C. 3201-3206); and pursuant to section 403(a) of the Trade and Tariff Act of 1984 (19 U.S.C. 2112 note), duty-free treatment for line pipe the product of Israel under the United States-Israel Free Trade Area Implementation Act of 1985 (the "IFTA Act") (19 U.S.C. 2112 note), to the extent necessary to apply the increase in duty to those products, as specified in the Annex to this proclamation.

(4) Effective at the close of March 1, 2003, or at the close of the date that may earlier be proclaimed by the President as the termination of the import relief set forth in the Annex to this proclamation, the suspension of duty-free treatment under the GSP, the CBERA, the ATPA, and the IFTA Act shall terminate, unless otherwise provided in such later proclamation, and qualifying goods the product of beneficiary countries or of Israel entered under such programs shall again be eligible for duty-free treatment.

(5) Effective at the close of March 1, 2004, or such other date that is 1 year from the close of this relief, the U.S. note and tariff provisions established in the Annex to this proclamation shall be deleted from the HTS.

(6) Any provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(7) The modifications to the HTS made by this proclamation, including the Annex hereto, shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after March 1, 2000, and shall continue in effect as provided in the Annex to this proclamation, unless such actions are earlier expressly modified or terminated.

IN WITNESS WHEREOF, I have hereunto set my hand this eighteenth day of February, in the year of our Lord two thousand, and of the Independence of the United States of America the two hundred and twenty-fourth.



ANNEX

MODIFICATIONS TO THE HARMONIZED
TARIFF SCHEDULE OF THE UNITED STATES

Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after March 1, 2000, subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States is modified by inserting in numerical sequence the following new U.S. note, subheadings and superior text thereto, with the language inserted in the columns entitled "Heading/Subheading", "Article Description", "Rates of Duty 1-General", "Rates of Duty 1-Special", and "Rates of Duty 2", respectively.

"10. For purposes of subheadings 9903.72.20 through 9903.72.25, inclusive, except as provided in this note, the term "line pipe" shall include (notwithstanding the provisions of other legal notes to the tariff schedule) welded "carbon quality" line pipe of circular cross section, of a kind used for oil and gas pipelines, whether or not stanchioned, except as provided below. The term "carbon quality" applies to products in which (i) iron predominates, by weight, over each of the other contained elements, (ii) the carbon content is 2 percent or less, by weight, and (iii) none of the elements listed below exceeds the quantity by weight, respectively indicated:

- 1.80 percent or more of manganese, or
- 2.25 percent of silicon, or
- 1.00 percent of copper, or
- 0.50 percent or less of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 1.25 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.10 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.15 percent of vanadium, or
- 0.15 percent of zirconium.

The term "line pipe" does not include goods commonly described in commercial usage as arctic grade line pipe and defined as welded line pipe that-

- (a) has an outside diameter of 114.3 mm or more and a wall thickness equal to or less than 19.05 mm;
- (b) when subjected to a Charpy V-notch test performed at minus 45.6 degrees Celsius or below applied to three specimens taken from the weld area, has a joules rating of no less than 23.05 joules for each sample, with an average for all three at no less than 25.76 joules;
- (c) using at least three samples, has a minimum average shear area of 85 percent in the base metal and 50 percent in the weld; and
- (d) when subjected to a hydrogen induced cracking test to be performed as provided by National Association of Corrosion Engineers (NACE) TM0284 test with solution A, has a crack length ratio that does not exceed 15 percent, a crack sensibility ratio that does not exceed 2 percent, and a crack thickness ratio that does not exceed 5 percent."

9903.72.20	: Welded line pipe of a kind used for oil or gas pipelines, of iron or steel, as defined in note 10 to this subchapter (provided for in subheadings 7306.10.10 and 7306.10.50), all the foregoing except products of Canada or of Mexico: : If entered during the period from March 1, 2000, through February 28, 2001, inclusive: : In aggregate quantities from each supplying country not in excess of 8,164,663 kg, the foregoing the product of such country.....	: No change	: No change	: No change
9903.72.21	: Other.....	: The rate provided in the Rates of Duty 1 General subcolumn for the applicable subheading : (7306.10.10 or : 7306.10.50) :	: The rate provided in the Rates of Duty 2 column for the applicable subheading : (7306.10.10 or : 7306.10.50) :	: + 29% :

		: + 19%	:	:
	: [Welded...(con.):]	:	:	:
	: If entered during the period from March 1, 2001, through	:	:	:
	: February 28, 2002, inclusive:	:	:	:
9903.72.22	: In aggregate quantities from each supplying country	:	:	:
	: not in excess of 8,164,663 kg, the foregoing the	:	:	:
	: product of such country.....	: No change	: No change	: No change
9903.72.23	: Other.....	: The rate	:	: The rate
	:	: provided in	:	: provided in
	:	: the Rates of	:	: the Rates of
	:	: Duty 1	:	: Duty 2
	:	: General	:	: column
	:	: subcolumn	:	: for the
	:	: for the	:	: applicable
	:	: applicable	:	: subheading
	:	: subheading	:	: (7306.10.10
	:	: (7306.10.10	:	: or
	:	: or	:	: 7306.10.50)
	:	: 7306.10.50)	:	: + 25%
	:	: + 15%	:	:
	: If entered during the period from March 1, 2002, through	:	:	:
	: March 1, 2003, inclusive:	:	:	:
9903.72.24	: In aggregate quantities from each supplying country	:	:	:
	: not in excess of 8,164,663 kg, the foregoing the	:	:	:
	: product of such country.....	: No change	: No change	: No change
9903.72.25	: Other.....	: The rate	:	: The rate
	:	: provided in	:	: provided in
	:	: the Rates of	:	: the Rates of
	:	: Duty 1	:	: Duty 2
	:	: General	:	: column
	:	: subcolumn	:	: for the
	:	: for the	:	: applicable
	:	: applicable	:	: subheading
	:	: subheading	:	: (7306.10.10
	:	: (7306.10.10	:	: or
	:	: or	:	: 7306.10.50)
	:	: 7306.10.50)	:	: + 21%*
	:	: + 11%	:	:

[FR Doc. 00-4428
 Filed 2-22-00 10:50 am]
 Billing code 3190-01-C

Presidential Documents

Memorandum of February 18, 2000

Action Under Section 203 of the Trade Act of 1974 Concerning Line Pipe

Memorandum for the Secretary of the Treasury [and] the United States Trade Representative

On December 22, 1999, the United States International Trade Commission (USITC) submitted a report to me that contained: (1) a determination pursuant to section 202 of the Trade Act of 1974, as amended (the "Trade Act"), that certain circular welded carbon quality line pipe (line pipe) is being imported into the United States in such increased quantities as to be a substantial cause of serious injury or threat of serious injury to the domestic line pipe industry; and (2) negative findings by the USITC pursuant to section 311(a) of the North American Free Trade Agreement Implementation Act (the "NAFTA Implementation Act") with respect to imports of line pipe from Canada and Mexico.

After taking into account all relevant considerations, including the factors specified in section 203(a)(2) of the Trade Act, I have implemented action of a type described in section 203(a)(3) of that Act. I have determined that the most appropriate action is an increase in duty on imports of certain line pipe. The additional duty will be 19 percent *ad valorem* in the first year of relief, declining to 15 and 11 percent *ad valorem* in the second and third years, respectively. The first 9,000 short tons of imports from each supplying country will be exempted from the increase in duty during each year that the action is in effect. I have proclaimed such action for a period of 3 years and 1 day in order to facilitate efforts by the domestic industry to make a positive adjustment to import competition.

In this regard, I instruct the Secretary of the Treasury to publish or otherwise make available, on a weekly basis, import statistics that will enable importers to identify when imports from each supplying country approach and then exceed the 9,000 short ton threshold. I further instruct the Secretary of the Treasury to establish monitoring categories for those countries with American Petroleum Institute certified (API-certified) line pipe production facilities. Any importations of line pipe from a country without an API-certified line pipe production facility should be treated as line pipe subject to this action but monitored for possible transshipment. I further instruct the Secretary of the Treasury to seek to obtain by March 1, 2000, a statistical subdivision in the Harmonized Tariff Schedule for the covered products specified in the Annex to the proclamation. The Secretary of the Treasury will monitor line pipe imports that are the product of Mexico and Canada by country of origin throughout the period of this action and report to the United States Trade Representative on relevant volumes each quarter during the period of this action, or more often as needed, or as the United States Trade Representative may request.

I have determined, pursuant to section 312(a) of the NAFTA Implementation Act, that imports of line pipe produced in Canada and Mexico, considered individually, do not contribute importantly to the serious injury, or threat of serious injury. Therefore, pursuant to section 312(b) of the NAFTA Implementation Act, the safeguard measure will not apply to imports of line pipe that is the product of Canada or Mexico.

I have determined that the actions described above will facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs. This action will provide the domestic industry with necessary temporary relief from increasing import competition, while also assuring our trading partners continued access to the U.S. market.

Pursuant to section 204 of the Trade Act, the USITC will monitor developments with respect to the domestic industry, including the progress and specific efforts made by workers and firms in the domestic industry to make a positive adjustment to import competition, and will provide to me and to the Congress a report on the results of its monitoring no later than the date that is the mid-point of the period during which the action I have taken under section 203 of that Act is in effect. I further instruct the United States Trade Representative to request the USITC pursuant to section 332(g) of the Tariff Act of 1930, as amended (19 U.S.C. 1332(g)), to examine the effects of this action on both the domestic line pipe industry and the principal users of line pipe in the United States, and to report on the results of its investigation in conjunction with its report under section 204(a)(2).

The United States Trade Representative is authorized and directed to publish this memorandum in the **Federal Register**.



THE WHITE HOUSE,
Washington, February 18, 2000.

Public Hearing

A public hearing in connection with this investigation is scheduled to begin at 9:30 a.m. on February 2, 2000, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, D.C. All persons have the right to appear by counsel or in person, to present information, and to be heard. Persons wishing to appear at the public hearing should file a letter asking to testify with the Secretary, United States International Trade Commission, 500 E St., SW., Washington, DC 20436, not later than the close of business (5:15 p.m.) January 18, 2000. In addition, persons testifying should file prehearing briefs (original and 14 copies) with the Secretary by the close of business on January 20, 2000. Posthearing briefs should be filed with the Secretary by close of business on February 11, 2000. In the event that no requests to appear at the hearing are received by the close of business January 18, 2000, the hearing will be canceled. Any person interested in attending the hearing as an observer or non-participant may call the Secretary to the Commission (202-205-1816) after January 20, 2000, to determine whether the hearing will be held.

Written Submissions

In lieu of or in addition to appearing at the public hearing, interested persons are invited to submit written statements concerning the investigation. Written statements should be received by the close of business on February 11, 2000. Commercial or financial information which a submitter desires the Commission to treat as confidential must be submitted on separate sheets of paper, each clearly marked "Confidential Business Information" at the top. All submissions requesting confidential treatment must conform with the requirements of section 201.6 of the Commission's *Rules of Practice and Procedure* (19 CFR 201.6). Persons submitting business confidential information should be aware that the Commission may include such information in the confidential version of its report to the USTR. All written submissions, except for confidential business information, will be made available for inspection by interested persons. All submissions should be addressed to the Secretary at the Commission's office in Washington, D.C. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means. Hearing-impaired individuals are advised that information on this

matter can be obtained by contacting our TDD terminal on (202) 205-1810.

Issued: December 23, 1999.
By order of the Commission.

Donna R. Koehnke,
Secretary.

Attachment Annex I (HTS Subheadings) ¹

A. Petitions to add products to the list of eligible articles for the GSP.
7202.99.10 ²
8104.19.00
8104.30.00

B. Petitions to remove duty-free status from beneficiary developing countries for products on the list of eligible articles for the GSP.
2905.42.00 (Brazil)

C. Petitions to determine whether products like or directly competitive with an eligible article were being produced in the United States on January 1, 1995.
3817.10.50

D. Petitions for waiver of competitive need limits for products on the list of eligible products for the specified country.

2905.11.20 (Chile)
7202.50.00 (Russia)
[FR Doc. 99-33903 Filed 12-29-99; 8:45 am]
BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. TA-201-70]

Circular Welded Carbon Quality Line Pipe*Determination*

On the basis of the information in the investigation, the Commission—(1) Determines, pursuant to section 202(b) of the Trade Act of 1974, that circular welded carbon quality line pipe (hereinafter line pipe) ¹ is being

¹ See USTR *Federal Register* notice of December 23, 1999 (64 F.R. 246) for article description.

² The petitioner also requests a waiver of the competitive need limits specified in section 503(c)(2)(A) of the 1974 Act for Brazil on the articles provided for in subheading 7202.99.10.

³ The imported article covered by this investigation is welded carbon quality line pipe of circular cross section, of a kind used for oil and gas pipelines, whether or not stencilled. For purposes of this investigation, "carbon quality" is defined to mean: products in which (1) iron predominates, by weight, over each of the other contained elements, (2) the carbon content is 2 percent or less, by weight, and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 2.25 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead.

imported into the United States in such increased quantities as to be a substantial cause of serious injury or the threat of serious injury ² to the domestic industry producing an article like or directly competitive with the imported article; and (2) makes negative findings, pursuant to section 311(a) of the North American Free-Trade Agreement (NAFTA) Implementation Act (19 U.S.C. 3371(a)), with respect to imports of line pipe from Canada and Mexico.³

*Recommendations with Respect to Remedy*⁴

*The Commission*⁵ (Vice Chairman Miller and Commissioners Hillman and Koplman) recommends:

(1) That the President impose a tariff-rate quota for a 4-year period on imports of line pipe, with the in-quota amount set at 151,124 short tons in the first year, and with that amount to be increased by

or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.15 percent of vanadium, or 0.15 percent of zirconium.

Such line pipe is currently classified in subheadings 7306.10.10 and 7306.10.50 of the Harmonized Tariff Schedule of the United States (HTS). Although the HTS categories are provided for convenience and Customs purposes, the written description of the merchandise under investigation is dispositive. The investigation excludes certain merchandise described as arctic grade line pipe, defined as welded line pipe that (1) has an outer diameter of 4.5 inches or more and a wall thickness equal to or less than 0.75 inches; and (2) when subjected to a Charpy V-notch test performed at minus 50 degrees Fahrenheit or below applied to three specimens taken from the well area, has a ft-lbs rating of no less than 17 ft-lbs for each sample, with an average for all three at no less than 19 ft-lbs; and (3) using at least three samples, has a minimum average shear area of 85 percent in the base metal and 50 percent in the weld; and (4) when subjected to a hydrogen induced cracking test to be performed as per NACE (National Association of Corrosion Engineers) TM0284 test with solution A, has a crack length ratio that does not exceed 15 percent, a crack sensibility ratio that does not exceed 2 percent, and a crack thickness ratio that does not exceed 5 percent.

² Vice Chairman Marcia E. Miller and Commissioners Jennifer A. Hillman and Stephen Koplman found serious injury. Chairman Lynn M. Bragg and Commissioner Thelma J. Askey found a threat of serious injury. Commissioner Carol T. Crawford made a negative determination.

³ Chairman Bragg dissenting with respect to Mexico. Chairman Bragg finds that imports of welded line pipe from Mexico account for a substantial share of total imports and contribute importantly to the threat of serious injury to the domestic industry.

⁴ Commissioner Crawford, having made a negative determination on injury, was not eligible to vote on remedy. In light of her negative determination, Commissioner Crawford does not believe any import relief is appropriate in this investigation.

⁵ The Commission notes that, pursuant to section 330(d)(2) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(2)), the remedy recommendation of Vice Chairman Miller and Commissioners Hillman and Koplman in this investigation is to be treated as the remedy finding of the Commission for purposes of section 203 of the Trade Act.

10 percent in each of the second, third, and fourth years, with over-quota imports to be subject to a duty of 30 percent ad valorem in addition to current U.S. tariffs;

(2) That the President, if he determines to allocate the overall quota, recognize the disproportionate growth and impact of the imports from Korea;

(3) That the President initiate international negotiations with Korea to address the underlying cause of the import surge and the serious injury to the domestic industry;

(4) Having made negative findings with respect to imports of line pipe from Canada and Mexico under section 311(a) of the NAFTA Implementation Act, that such imports be excluded from the tariff-rate quota; and

(5) That the tariff-rate quota not apply to imports of line pipe from Israel, or to any imports of line pipe entered duty-free from beneficiary countries under the Caribbean Basin Economic Recovery Act or the Andean Trade Preference Act.

Chairman Bragg and Commissioner Askey recommend:

(1) That the President impose a duty, in addition to the current rate of duty, for a 4-year period, on imports of line pipe that are within the scope of this investigation as follows: 12.5 percent ad valorem in the first year of relief, 11 percent ad valorem in the second year of relief, 9.5 percent ad valorem in the third year of relief, and 8 percent ad valorem in the fourth year of relief;

(2) That the increased rates of duty not apply to imports of line pipe from Canada, Israel, or to any imports of line pipe that entered duty-free from beneficiary countries under the Caribbean Basin Economic Recovery Act or the Andean Trade Preference Act;

(3) Commissioner Askey, having made a negative finding with respect to imports of line pipe from Mexico under section 311(a) of the NAFTA Implementation Act, recommends that such imports from Mexico be excluded from the increased duty. Chairman Bragg, having made an affirmative finding under section 311(a) of the NAFTA Implementation Act, recommends that imports of line pipe from Mexico be subject to the duty increase.

The Commissioners find that the respective actions that they have recommended will address the serious injury or threat of serious injury found to exist and be most effective in facilitating the efforts of the domestic industry to make a positive adjustment to import competition.

Background

Following receipt of a petition properly filed on June 30, 1999, by counsel on behalf of Geneva Steel, Vineyard, UT; IPSCO Tubulars, Inc., Camanche, IA; Lone Star Steel Company, Dallas, TX; LTV Steel Tubular Products Company, Youngstown, OH;⁶ Maverick Tube Corporation, Chesterfield, MO; Newport Steel, Newport, KY; Northwest Pipe Company, Portland, OR; Stupp Corporation, Baton Rouge, LA; and the United Steelworkers of America, AFL-CIO, Pittsburgh, PA, the Commission instituted investigation No. TA-201-70, Circular Welded Carbon Quality Line Pipe, under section 202 of the Trade Act of 1974 to determine whether circular welded carbon quality line pipe is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

Notice of the institution of the Commission's investigation and of the scheduling of public hearings to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of August 4, 1999 (64 FR 42414). The hearing in connection with the injury phase of the investigation was held on September 30, 1999, and the hearing on the question of remedy was held on November 10, 1999. Both hearings were held in Washington, DC; all persons who requested the opportunity were permitted to appear in person or by counsel.

The Commission transmitted its determination in this investigation to the President on December 22, 1999. The views of the Commission are contained in USITC Publication 3261 (December 1999), entitled Circular Welded Carbon Quality Line Pipe: Investigation No. TA-201-70.

Issued: December 23, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-33902 Filed 12-29-99; 8:45 am]

BILLING CODE 7020-02-U

⁶ Petitioners amended the petition on Sept. 14, 1999, to include LTV Steel.

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-677 (Review)]

Coumarin From China

AGENCY: United States International Trade Commission.

ACTION: Institution of a five-year review concerning the antidumping duty order on coumarin from China.

SUMMARY: The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on coumarin from China would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;¹ to be assured of consideration, the deadline for responses is February 22, 2000. Comments on the adequacy of responses may be filed with the Commission by March 20, 2000.

For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). The Rules may also be found on the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

EFFECTIVE DATE: December 30, 1999.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202-205-3193) or Vera Libeau (202-205-3176), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 00-5-050, expiration date July 31, 2002. Public reporting burden for the request is estimated to average 7 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW, Washington, DC 20436.

APPENDIX B
HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Certain Circular Welded Carbon Quality Line Pipe:
Monitoring Developments in the Domestic Industry

Inv. No.: TA-204-5

Date and Time: June 28, 2001 - 9:30 a.m.

Sessions were held in connection with this investigation in the Main Hearing Room (Room 101), 500 E Street, SW, Washington, D.C.

OPENING REMARKS

Domestic Producers (**Roger B. Schagrin**, Schagrin Associates)
Respondents (**Julie C. Mendoza**, Kaye Scholer LLP)

DOMESTIC PRODUCERS:

Schagrin Associates
Washington, D.C.
on behalf of

Domestic Producers

Geneva Steel Company
IPSCO Tubulars, Incorporated
Lone Star Steel Company
LTV Copperweld
Maverick Tube Corporation
Newport Steel Corporation
Northwest Pipe Company
Stupp Corporation
United Steelworkers of America, AFL-CIO

Marcus Phillips, Director, Sales and Marketing, Geneva Steel Company

Steve Fowler, Senior Vice President, Sales and Marketing, Lone
Star Steel Company

DOMESTIC PRODUCERS (continued):

Rusty Fisher, Vice President, Line Pipe Sales, Lone Star
Steel Company

David Carroll, Senior Vice President and General Manager,
LTV Copperweld

T. Scott Evans, Vice President, Commercial Operations, Maverick
Tube Corporation

Dan O’Leary, President, Stupp Corporation

William Klinefelter, Assistant to the International President and
Legislative and Political Director, United Steelworkers of
America, AFL-CIO

Dr. Robert A. Blecker, Professor, Department of Economics,
American University

Roger B. Schagrin)
) – OF COUNSEL
Andrew B. Knapp)

RESPONDENTS:

Kaye Scholer
Washington, D.C.
on behalf of

Korean Respondents

Korea Iron & Steel Association
Dongbu Steel Company, Limited
Hyundai Hysco
SeAH Steel Corporation
Shinho Steel Company, Limited

Julie C. Mendoza)
) – OF COUNSEL
Brady W. Mills)

RESPONDENTS (continued):

Gibson, Dunn & Crutcher LLP
Washington, D.C.
on behalf of

Japanese Respondents

Kawasaki Steel Corporation
Nippon Steel Corporation
NKK Corporation
Sumitomo Metal Industries, Limited

Joseph H. Price)
) – OF COUNSEL
Merritt R. Blakeslee)

Barnes, Richardson & Colburn
Washington, D.C.
on behalf of

German Respondent

Mannesmann Line Pipe GmbH

Ingo Hergarden, Manager, Pipeline Projects, Thyssen Steel
Group West

Gunter von Conrad)
) – OF COUNSEL
Stephen W. Brophy)

REBUTTAL/CLOSING REMARKS

Domestic Producers (**Roger B. Schagrin**, Schagrin Associates)
Respondents (**Julie C. Mendoza**, Kaye Scholer LLP)

APPENDIX C

**SUMMARY DATA AND
SELECTED PUBLIC DATA**

Table C-1

Welded line pipe: Summary data concerning the U.S. market, 1998-2000, January-March 2000, and January-March 2001

(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per short ton; and period changes=percent, except where noted)

Item	Calendar year			January-March		Period changes			
	1998	1999	2000	2000	2001	1998-2000	1998-99	1999-2000	Jan.-Mar. 2000-Jan.-Mar. 2001
U.S. consumption quantity:									
Amount	***	***	***	***	***	-10.6	-12.3	1.9	-25.2
Producers' share ¹	***	***	***	***	***	10.9	0.3	10.7	-0.1
Importers' share: ¹									
COVERED SOURCES:									
China	***	***	***	***	***	0.3	1.1	-0.8	-3.7
Germany	***	***	***	***	***	-0.9	-1.7	0.8	-0.1
Japan	***	***	***	***	***	-2.3	-0.2	-2.1	1.2
Korea	***	***	***	***	***	-11.6	-0.6	-11.0	-6.3
South Africa	***	***	***	***	***	-0.2	0.6	-0.8	-0.1
Taiwan	***	***	***	***	***	1.1	0.6	0.5	-1.7
Turkey	***	***	***	***	***	-1.2	-1.2	0.0	3.1
United Kingdom	***	***	***	***	***	-0.1	-0.1	0.0	1.0
Venezuela	***	***	***	***	***	0.5	0.2	0.3	1.9
All other sources	***	***	***	***	***	0.7	-0.1	0.8	2.2
Subtotal, covered	***	***	***	***	***	-13.7	-1.5	-12.2	-2.5
NON-COVERED SOURCES:									
Canada	***	***	***	***	***	1.2	-0.2	1.4	1.0
Mexico	***	***	***	***	***	1.6	1.4	0.2	1.6
Subtotal, non-covered	***	***	***	***	***	2.8	1.2	1.6	2.6
Total	***	***	***	***	***	-10.9	-0.3	-10.7	0.1
U.S. consumption value:									
Amount	***	***	***	***	***	-13.5	-26.9	18.4	-22.5
Producers' share ¹	***	***	***	***	***	10.2	1.3	8.9	-0.4
Importers' share: ¹									
COVERED SOURCES:									
China	***	***	***	***	***	0.1	0.8	-0.7	-2.7
Germany	***	***	***	***	***	-0.9	-1.7	0.8	-0.1
Japan	***	***	***	***	***	-2.7	-0.4	-2.3	1.0
Korea	***	***	***	***	***	-10.0	-1.2	-8.8	-5.7
South Africa	***	***	***	***	***	-0.1	0.5	-0.6	0.0
Taiwan	***	***	***	***	***	0.8	0.6	0.2	-1.3
Turkey	***	***	***	***	***	-1.0	-1.0	0.0	2.5
United Kingdom	***	***	***	***	***	-0.1	-0.1	0.0	1.0
Venezuela	***	***	***	***	***	0.5	0.2	0.3	1.7
All other sources	***	***	***	***	***	0.5	-0.1	0.6	1.9
Subtotal, covered	***	***	***	***	***	-13.0	-2.6	-10.4	-1.7
NON-COVERED SOURCES:									
Canada	***	***	***	***	***	1.1	-0.2	1.3	1.1
Mexico	***	***	***	***	***	1.7	1.5	0.2	1.0
Subtotal, non-covered	***	***	***	***	***	2.8	1.3	1.5	2.1
Total	***	***	***	***	***	-10.2	-1.3	-8.9	0.4

Table continued on next page.

C-3

Table C-1--Continued

Welded line pipe: Summary data concerning the U.S. market, 1998-2000, January-March 2000, and January-March 2001

(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per short ton; and period changes=percent, except where noted)

Item	Calendar year			January-March		Period changes			
	1998	1999	2000	2000	2001	1998-2000	1998-99	1999-2000	Jan.-Mar. 2000-Jan.- Mar. 2001
U.S. imports from--									
China:									
Quantity	7,866	16,412	9,672	8,825	29	23.0	108.6	-41.1	-99.7
Value	3,077	4,880	3,066	2,775	15	-0.4	58.6	-37.2	-99.5
Unit value	\$391	\$297	\$317	\$314	\$499	-19.0	-24.0	6.6	58.8
Ending inventory	***	***	***	***	***	71.4	42.9	20.0	74.3
Germany:									
Quantity	***	***	***	***	***	-45.4	-76.1	128.4	-100.0
Value	***	***	***	***	***	-43.9	-75.0	124.6	-100.0
Unit value	***	***	***	***	***	2.8	4.5	-1.7	(²)
Ending inventory	0	0	0	0	0	(²)	(²)	(²)	(²)
Japan:									
Quantity	***	***	***	***	***	-85.7	-19.8	-82.2	1,410.8
Value	***	***	***	***	***	-88.3	-36.7	-81.5	1,079.1
Unit value	***	***	***	***	***	-18.0	-21.1	3.9	-22.0
Ending inventory	0	0	0	0	0	(²)	(²)	(²)	(²)
Korea:									
Quantity	157,997	133,896	42,832	27,842	9,729	-72.9	-15.3	-68.0	-65.1
Value	65,595	43,788	17,089	10,478	3,623	-73.9	-33.2	-61.0	-65.4
Unit value	\$415	\$327	\$399	\$376	\$372	-3.9	-21.2	22.0	-1.1
Ending inventory	***	***	***	***	***	-100.0	-99.8	-100.0	(²)
South Africa:									
Quantity	6,685	10,712	4,181	157	0	-37.5	60.2	-61.0	-100.0
Value	2,548	3,602	1,734	50	0	-32.0	41.4	-51.9	-100.0
Unit value	\$381	\$336	\$415	\$315	(²)	8.8	-11.8	23.3	(²)
Ending inventory	0	0	0	0	0	(²)	(²)	(²)	(²)
Taiwan:									
Quantity	4,457	9,108	13,543	4,346	201	203.9	104.4	48.7	-95.4
Value	1,795	3,170	4,738	1,419	67	164.0	76.6	49.5	-95.3
Unit value	\$403	\$348	\$350	\$327	\$333	-13.1	-13.6	0.5	2.0
Ending inventory	0	0	0	0	0	(²)	(²)	(²)	(²)
Turkey:									
Quantity	11,324	0	0	0	5,488	-100.0	-100.0	(²)	(²)
Value	4,623	0	0	0	1,993	-100.0	-100.0	(²)	(²)
Unit value	\$408	(²)	(²)	(²)	\$363	(²)	(²)	(²)	(²)
Ending inventory	0	0	0	0	0	(²)	(²)	(²)	(²)
United Kingdom:									
Quantity	4,202	2,460	2,503	53	1,811	-40.4	-41.4	1.7	3,322.9
Value	1,848	1,030	1,153	21	787	-37.6	-44.3	12.0	3,587.3
Unit value	\$440	\$419	\$461	\$403	\$434	4.7	-4.8	10.0	7.7
Ending inventory	0	0	0	0	0	(²)	(²)	(²)	(²)

Table continued on next page.

Table C-1--Continued

Welded line pipe: Summary data concerning the U.S. market, 1998-2000, January-March 2000, and January-March 2001

(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per short ton; and period changes=percent, except where noted)

Item	Calendar year			January-March		Period changes			
	1998	1999	2000	2000	2001	1998-2000	1998-99	1999-2000	Jan.-Mar. 2000-Jan.- Mar. 2001
U.S. imports from--Continued									
Venezuela:									
Quantity	0	1,588	4,483	36	3,386	(²)	(²)	182.3	9,402.3
Value	0	518	1,870	13	1,360	(²)	(²)	261.2	10,692.8
Unit value	(²)	\$326	\$417	\$354	\$402	(²)	(²)	27.9	13.6
Ending inventory	0	0	0	0	0	(²)	(²)	(²)	(²)
All other sources:									
Quantity	9,177	6,819	13,779	2,312	5,607	50.1	-25.7	102.1	142.5
Value	3,674	2,371	5,136	738	2,046	39.8	-35.5	116.7	177.0
Unit value	\$400	\$348	\$373	\$319	\$365	-6.9	-13.2	7.2	14.3
Ending inventory	***	***	***	***	***	(²)	(²)	(²)	(²)
Subtotal, covered:									
Quantity	***	***	***	***	***	-57.3	-17.2	-48.4	-35.2
Value	***	***	***	***	***	-60.6	-34.7	-39.6	-31.2
Unit value	\$437	\$345	\$403	\$357	\$379	-7.8	-21.2	16.9	6.3
Ending inventory	1,686	1,002	1,305	1,500	2,715	-22.6	-40.6	30.2	81.0
NON-COVERED SOURCES:									
Canada:									
Quantity	8,534	6,000	17,665	966	2,426	107.0	-29.7	194.4	151.1
Value	4,988	3,006	8,695	478	1,281	74.3	-39.7	189.2	167.8
Unit value	\$585	\$501	\$492	\$495	\$528	-15.8	-14.3	-1.8	6.7
Ending inventory	0	0	0	0	0	(²)	(²)	(²)	(²)
Mexico:									
Quantity	48,180	53,995	56,747	15,674	14,606	17.8	12.1	5.1	-6.8
Value	21,900	20,986	25,734	7,060	6,253	17.5	-4.2	22.6	-11.4
Unit value	\$455	\$389	\$453	\$450	\$428	-0.2	-14.5	16.7	-5.0
Ending inventory	3,295	3,003	2,473	3,269	3,748	-24.9	-8.9	-17.6	14.7
Subtotal, non-covered:									
Quantity	56,715	59,996	74,412	16,640	17,031	31.2	5.8	24.0	2.4
Value	26,888	23,992	34,429	7,538	7,534	28.0	-10.8	43.5	-0.1
Unit value	\$474	\$400	\$463	\$453	\$442	-2.4	-15.7	15.7	-2.4
Ending inventory	3,295	3,003	2,473	3,269	3,748	-24.9	-8.9	-17.6	14.7
TOTAL imports:									
Quantity	***	***	***	***	***	-40.9	-13.0	-32.1	-24.9
Value	***	***	***	***	***	-43.1	-30.0	-18.7	-21.0
Unit value	\$444	\$357	\$427	\$384	\$403	-3.7	-19.6	19.7	5.1
Ending inventory	4,981	4,005	3,778	4,769	6,463	-24.2	-19.6	-5.7	35.5

Table continued on next page.

Table C-1--Continued

Welded line pipe: Summary data concerning the U.S. market, 1998-2000, January-March 2000, and January-March 2001

(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per short ton; and period changes=percent, except where noted)

Item	Calendar year			January-March		Period changes			
	1998	1999	2000	2000	2001	1998-2000	1998-99	1999-2000	Jan.-Mar. 2000-Jan.-Mar. 2001
U.S. producers'-- Capacity quantity	1,142,907	1,205,831	1,256,865	316,906	292,355	10.0	5.5	4.2	-7.7
Production quantity	697,629	595,744	798,147	207,025	158,989	14.4	-14.6	34.0	-23.2
Capacity utilization ¹	61.0	49.4	63.5	65.3	54.4	2.5	-11.6	14.1	-10.9
U.S. shipments: Quantity	645,817	568,840	670,919	174,892	130,604	3.9	-11.9	17.9	-25.3
Value	322,527	239,910	319,486	79,311	61,128	-0.9	-25.6	33.2	-22.9
Unit value	\$499	\$422	\$476	\$453	\$468	-4.6	-15.6	12.9	3.2
Export shipments: Quantity	20,512	32,293	69,506	19,152	16,375	238.9	57.4	115.2	-14.5
Value	10,611	14,146	35,888	9,197	8,948	238.2	33.3	153.7	-2.7
Unit value	\$517	\$438	\$516	\$480	\$546	-0.2	-15.3	17.9	13.8
Ending inventory quantity	72,559	54,947	83,707	55,342	90,274	15.4	-24.3	52.3	63.1
Inventories/total shipments ¹	10.9	9.1	11.3	7.1	15.4	0.4	-1.7	2.2	8.2
Production workers	1,383	1,222	1,392	1,336	1,232	0.7	-11.6	13.9	-7.8
Hours worked (1,000 hours)	2,968	3,064	3,553	891	795	19.7	3.2	16.0	-10.8
Wages paid (1,000 dollars)	57,658	48,070	58,417	14,329	12,309	1.3	-16.6	21.5	-14.1
Hourly wages	\$19.42	\$15.69	\$16.44	\$16.07	\$15.48	-15.4	-19.2	4.8	-3.7
Productivity (tons/1,000 hours)	235.0	194.4	224.6	232.2	199.9	-4.4	-17.3	15.5	-13.9
Unit labor costs	\$82.65	\$80.69	\$73.19	\$69.21	\$77.42	-11.4	-2.4	-9.3	11.9
Net sales: Quantity	717,315	569,922	739,895	193,477	146,690	3.1	-20.5	29.8	-24.2
Value	363,603	239,239	351,017	88,641	70,353	-3.5	-34.2	46.7	-20.6
Unit value	\$507	\$420	\$474	\$458	\$480	-6.4	-17.2	13.0	4.7
COGS	335,930	242,948	319,233	81,388	64,479	-5.0	-27.7	31.4	-20.8
Gross profit or (loss)	27,673	(3,709)	31,784	7,253	5,874	14.9	-113.4	956.9	-19.0
SG&A expenses	15,658	13,326	14,042	3,630	2,926	-10.3	-14.9	5.4	-19.4
Operating income	12,015	(17,035)	17,742	3,623	2,948	47.7	-241.8	204.1	-18.6
Capital expenditures	31,911	14,505	11,546	2,667	1,261	-63.8	-54.5	-20.4	-52.7
Unit COGS	\$468	\$426	\$431	\$421	\$440	-7.9	-9.0	1.2	4.5
Unit SG&A expenses	\$21.83	\$23.38	\$18.98	\$18.76	\$19.95	-13.1	7.1	-18.8	6.3
Unit operating income	\$16.75	\$(29.89)	\$23.98	\$18.72	\$20.10	43.2	-278.5	180.2	7.3
COGS/sales ¹	92.4	101.6	90.9	91.8	91.7	-1.4	9.2	-10.6	-0.2
Operating income or (loss)/sales ¹	3.3	-7.1	5.1	4.1	4.2	1.8	-10.4	12.2	0.1

¹ Period changes are in percentage points.

² Not applicable.

Note.--Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to Commission questionnaires and official Commerce statistics.

Table C-2

Welded line pipe: Summary data concerning imports (adjusted to exclude alloy pipe but not arctic-grade pipe) and apparent consumption, 1998-2000, January-March 2000, and January-March 2001

(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per short ton; and period changes=percent, except where noted)

Item	Calendar year			January-March		Period changes			
	1998	1999	2000	2000	2001	1998-2000	1998-99	1999-2000	Jan.-Mar. 2000-Jan.-Mar. 2001
U.S. consumption quantity:									
Amount	965,951	836,274	847,984	235,366	176,770	-12.2	-13.4	1.4	-24.9
Producers' share ¹	66.9	68.0	79.1	74.3	73.9	12.3	1.2	11.1	-0.4
Importers' share: ¹									
COVERED SOURCES:									
China	0.8	2.0	1.1	3.7	0.0	0.3	1.1	-0.8	-3.7
Germany	2.3	0.6	0.9	0.1	0.0	-1.4	-1.7	0.3	-0.1
Japan	4.0	2.5	0.4	0.1	1.6	-3.6	-1.5	-2.1	1.6
Korea	16.4	16.0	5.1	11.8	5.5	-11.3	-0.3	-11.0	-6.3
South Africa	0.7	1.3	0.5	0.1	0.0	-0.2	0.6	-0.8	-0.1
Taiwan	0.5	1.1	1.6	1.8	0.1	1.1	0.6	0.5	-1.7
Turkey	1.2	0.0	0.0	0.0	3.1	-1.2	-1.2	0.0	3.1
United Kingdom	0.4	0.3	0.3	0.0	1.0	-0.1	-0.1	0.0	1.0
Venezuela	0.0	0.2	0.5	0.0	1.9	0.5	0.2	0.3	1.9
All other sources	1.0	0.8	1.6	1.0	3.2	0.7	-0.1	0.8	2.2
Subtotal, covered	27.3	24.8	12.1	18.6	16.5	-15.2	-2.5	-12.7	-2.1
NON-COVERED SOURCES:									
Canada	0.9	0.7	2.1	0.4	1.4	1.2	-0.2	1.4	1.0
Mexico	5.0	6.5	6.7	6.7	8.3	1.7	1.5	0.2	1.6
Subtotal, non-covered	5.9	7.2	8.8	7.1	9.6	2.9	1.3	1.6	2.6
Total	33.1	32.0	20.9	25.7	26.1	-12.3	-1.2	-11.1	0.4
U.S. consumption value:									
Amount	466,606	335,389	394,464	102,503	79,895	-15.5	-28.1	17.6	-22.1
Producers' share ¹	69.1	71.5	81.0	77.4	76.5	11.9	2.4	9.5	-0.9
Importers' share: ¹									
COVERED SOURCES:									
China	0.7	1.5	0.8	2.7	0.0	0.1	0.8	-0.7	-2.7
Germany	2.6	0.9	1.0	0.1	0.0	-1.5	-1.7	0.1	-0.1
Japan	4.7	2.7	0.4	0.1	1.7	-4.3	-2.0	-2.3	1.6
Korea	14.1	13.1	4.3	10.2	4.5	-9.7	-1.0	-8.7	-5.7
South Africa	0.5	1.1	0.4	0.0	0.0	-0.1	0.5	-0.6	0.0
Taiwan	0.4	0.9	1.2	1.4	0.1	0.8	0.6	0.3	-1.3
Turkey	1.0	0.0	0.0	0.0	2.5	-1.0	-1.0	0.0	2.5
United Kingdom	0.4	0.3	0.3	0.0	1.0	-0.1	-0.1	0.0	1.0
Venezuela	0.0	0.2	0.5	0.0	1.7	0.5	0.2	0.3	1.7
All other sources	0.8	0.7	1.3	0.7	2.6	0.5	-0.1	0.6	1.8
Subtotal, covered	25.1	21.3	10.3	15.3	14.1	-14.8	-3.8	-11.0	-1.2
NON-COVERED SOURCES:									
Canada	1.1	0.9	2.2	0.5	1.6	1.1	-0.2	1.3	1.1
Mexico	4.7	6.3	6.5	6.9	7.8	1.8	1.6	0.3	0.9
Subtotal, non-covered	5.8	7.2	8.7	7.4	9.4	3.0	1.4	1.6	2.1
Total	30.9	28.5	19.0	22.6	23.5	-11.9	-2.4	-9.5	0.9

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Table C-2--Continued

Welded line pipe: Summary data concerning imports (adjusted to exclude alloy pipe but not arctic-grade pipe) and apparent consumption, 1998-2000, January-March 2000, and January-March 2001

(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per short ton; and period changes=percent, except where noted)

Item	Calendar year			January-March		Period changes			Jan.-Mar. 2000- Jan.-Mar. 2001
	1998	1999	2000	2000	2001	1998-2000	1998-99	1999-2000	
U.S. imports from--									
Germany:									
Quantity	22,667	5,416	7,920	120	0	-65.1	-76.1	46.2	-100.0
Value	11,923	2,977	4,073	84	0	-65.8	-75.0	36.8	-100.0
Unit value	\$526	\$550	\$514	\$697	(²)	-2.2	4.5	-6.4	(²)
Japan:									
Quantity	39,044	21,027	3,740	142	2,884	-90.4	-46.1	-82.2	1,928.5
Value	22,107	9,150	1,691	75	1,344	-92.4	-58.6	-81.5	1,685.1
Unit value	\$566	\$435	\$452	\$530	\$466	-20.2	-23.1	3.9	-12.0
Subtotal, covered:									
Quantity	263,420	207,438	102,653	43,834	29,135	-61.0	-21.3	-50.5	-33.5
Value	117,190	71,486	40,549	15,654	11,233	-65.4	-39.0	-43.3	-28.2
Unit value	\$445	\$345	\$395	\$357	\$386	-11.2	-22.5	14.6	8.0
TOTAL imports:									
Quantity	320,134	267,434	177,065	60,474	46,166	-44.7	-16.5	-33.8	-23.7
Value	144,079	95,479	74,978	23,192	18,767	-48.0	-33.7	-21.5	-19.1
Unit value	\$450	\$357	\$423	\$384	\$407	-5.9	-20.7	18.6	6.0
¹ Period changes are in percentage points. ² Not applicable.									
Note.--Because of rounding, figures may not add to the totals shown.									
Source: Compiled from data submitted in response to Commission questionnaires, and official Commerce statistics.									

Table C-3

Welded line pipe: U.S. imports (adjusted to exclude alloy pipe but not arctic-grade pipe), by sources, 1998-2000, January-March 2000, and January-March 2001

Source	Calendar years			January-March	
	1998	1999	2000	2000	2001
	Quantity (short tons)				
Covered sources:					
China	7,866	16,412	9,672	8,825	29
Germany	22,667	5,416	7,920	120	0
Japan	39,044	21,027	3,740	142	2,884
Korea	157,997	133,896	42,832	27,842	9,729
South Africa	6,685	10,712	4,181	157	0
Taiwan	4,457	9,108	13,543	4,346	201
Turkey	11,324	0	0	0	5,488
U.K.	4,202	2,460	2,503	53	1,811
Venezuela	0	1,588	4,483	36	3,386
All others	9,177	6,819	13,779	2,312	5,607
Subtotal covered	263,420	207,438	102,653	43,834	29,135
Non-covered sources:					
Canada	8,534	6,000	17,665	966	2,426
Mexico	48,180	53,995	56,747	15,674	14,606
Subtotal non-covered	56,715	59,996	74,412	16,640	17,031
Total	320,134	267,434	177,065	60,474	46,166
	Value (\$1,000)¹				
Covered sources:					
China	3,077	4,880	3,066	2,775	15
Germany	11,923	2,977	4,073	84	0
Japan	22,107	9,150	1,691	75	1,344
Korea	65,595	43,788	17,089	10,478	3,623
South Africa	2,548	3,602	1,734	50	0
Taiwan	1,795	3,170	4,738	1,419	67
Turkey	4,623	0	0	0	1,993
U.K.	1,848	1,030	1,153	21	787
Venezuela	0	518	1,870	13	1,360
All others	3,674	2,371	5,136	738	2,046
Subtotal covered	117,190	71,486	40,549	15,654	11,233
Non-covered sources:					
Canada	4,988	3,006	8,695	478	1,281
Mexico	21,900	20,986	25,734	7,060	6,253
Subtotal non-covered	26,888	23,992	34,429	7,538	7,534
Total	144,079	95,479	74,978	23,192	18,767
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Table C-3—Continued

Welded line pipe: U.S. imports (adjusted to exclude alloy pipe but not arctic-grade pipe), by sources, 1998-2000, January-March 2000, and January-March 2001

Source	Calendar years			January-March	
	1998	1999	2000	2000	2001
	Unit value (per ton)				
Covered sources:					
China	\$391.19	\$297.35	\$316.98	\$314.46	\$499.32
Germany	526.01	549.67	514.20	696.63	(²)
Japan	566.22	435.17	452.05	529.72	466.16
Korea	415.17	327.03	398.97	376.34	372.37
South Africa	381.12	336.26	414.60	315.42	(²)
Taiwan	402.67	348.05	349.83	326.60	332.98
Turkey	408.22	(²)	(²)	(²)	363.05
U.K.	439.89	418.68	460.72	403.22	434.35
Venezuela	(²)	326.05	417.12	353.56	401.58
All others	400.35	347.65	372.78	319.34	364.89
Subtotal covered	444.88	344.61	395.01	357.11	385.56
Non-covered sources:					
Canada	584.51	500.99	492.20	495.05	527.97
Mexico	454.54	388.67	453.49	450.43	428.13
Subtotal non-covered	474.10	399.90	462.68	453.02	442.35
Total	450.06	357.02	423.45	383.50	406.51
	Share of total quantity (percent)				
Covered sources:					
China	2.5	6.1	5.5	14.6	0.1
Germany	7.1	2.0	4.5	0.2	0.0
Japan	12.2	7.9	2.1	0.2	6.2
Korea	49.4	50.1	24.2	46.0	21.1
South Africa	2.1	4.0	2.4	0.3	0.0
Taiwan	1.4	3.4	7.6	7.2	0.4
Turkey	3.5	0.0	0.0	0.0	11.9
U.K.	1.3	0.9	1.4	0.1	3.9
Venezuela	0.0	0.6	2.5	0.1	7.3
All others	2.9	2.5	7.8	3.8	12.1
Subtotal covered	82.3	77.6	58.0	72.5	63.1
Non-covered sources:					
Canada	2.7	2.2	10.0	1.6	5.3
Mexico	15.0	20.2	32.0	25.9	31.6
Subtotal non-covered	17.7	22.4	42.0	27.5	36.9
Total	100.0	100.0	100.0	100.0	100.0
Table continued on next page.					

Table C-3—Continued

Welded line pipe: U.S. imports (adjusted to exclude alloy pipe but not arctic-grade pipe), by sources, 1998-2000, January-March 2000, and January-March 2001

Source	Calendar years			January-March	
	1998	1999	2000	2000	2001
Share of total value (percent)					
Covered sources:					
China	2.1	5.1	4.1	12.0	0.1
Germany	8.3	3.1	5.4	0.4	0.0
Japan	15.3	9.6	2.3	0.3	7.2
Korea	45.5	45.9	22.8	45.2	19.3
South Africa	1.8	3.8	2.3	0.2	0.0
Taiwan	1.2	3.3	6.3	6.1	0.4
Turkey	3.2	0.0	0.0	0.0	10.6
U.K.	1.3	1.1	1.5	0.1	4.2
Venezuela	0.0	0.5	2.5	0.1	7.2
All others	2.6	2.5	6.9	3.2	10.9
Subtotal covered	81.3	74.9	54.1	67.5	59.9
Non-covered sources:					
Canada	3.5	3.1	11.6	2.1	6.8
Mexico	15.2	22.0	34.3	30.4	33.3
Subtotal non-covered	18.7	25.1	45.9	32.5	40.1
Total	100.0	100.0	100.0	100.0	100.0
¹ Landed, duty-paid value. ² Not applicable.					
Source: Compiled from official Commerce statistics.					

Table C-4

Welded line pipe: U.S. imports (adjusted to exclude alloy pipe but not arctic-grade pipe), by principal sources, March 1999-February 2000 and March 2000-February 2001

Source	Mar. 1999- Feb. 2000	Mar. 2000- Feb. 2001	Mar. 1999- Feb. 2000	Mar. 2000- Feb. 2001	Mar. 1999- Feb. 2000	Mar. 2000- Feb. 2001
	Quantity (<i>short tons</i>)		Value (<i>\$1,000</i>) ¹		Unit value	
Covered sources:						
China	24,230	881	7,323	318	\$302.22	\$361.39
Germany ²	5,519	7,800	3,043	3,989	551.45	511.40
Japan ³	14,658	6,526	6,592	2,979	449.76	456.46
Korea	118,306	25,892	39,181	10,763	331.18	415.69
South Africa	9,627	4,181	3,214	1,734	333.85	414.60
Taiwan	12,777	9,839	4,362	3,535	341.36	359.25
Turkey	0	5,488	0	1,993	(⁴)	363.05
U.K.	1,979	3,836	811	1,720	409.64	448.45
Venezuela	1,624	6,829	530	2,823	326.66	413.32
All others	8,778	15,433	2,993	5,811	341.01	376.55
Subtotal covered	197,497	86,706	68,050	35,664	344.56	411.32
Non-covered sources:						
Canada	5,884	17,966	2,988	8,875	507.83	494.03
Mexico	58,737	55,320	23,457	24,946	399.35	450.94
Subtotal non-covered	64,621	73,286	26,445	33,822	409.23	461.51
Total	262,119	159,992	94,494	69,486	360.50	434.31
	Share of quantity (<i>percent</i>)		Share of value (<i>percent</i>)			
Covered sources:						
China	9.2	0.6	7.8	0.5		
Germany ²	2.1	4.9	3.2	5.7		
Japan ³	5.6	4.1	7.0	4.3		
Korea	45.1	16.2	41.5	15.5		
South Africa	3.7	2.6	3.4	2.5		
Taiwan	4.9	6.1	4.6	5.1		
Turkey	(⁴)	3.4	(⁴)	2.9		
U.K.	0.8	2.4	0.9	2.5		
Venezuela	0.6	4.3	0.6	4.1		
All others	3.3	9.6	3.2	8.4		
Subtotal covered	75.3	54.2	72.0	51.3		
Non-covered sources:						
Canada	2.2	11.2	3.2	12.8		
Mexico	22.4	34.6	24.8	35.9		
Subtotal non-covered	24.7	45.8	28.0	48.7		
Total	100.0	100.0	100.0	100.0		
¹ Landed, duty-paid value. ² Imports from Germany during 2000 do not include additional amounts reported by counsel for German respondents that were imported in excess of the 9,000-ton exemption for Germany. ³ Includes 3 tons, valued at \$11,000 of nonsubject other alloy line pipe during March 2000-February 2001. ⁴ Not applicable.						

C-12

Source: Compiled from official Commerce statistics.

Table C-5

Welded line pipe: U.S. shipments of domestic product, U.S. imports (adjusted to exclude alloy pipe but not arctic-grade pipe), by principal sources, and apparent U.S. consumption, 1998-2000, January-March 2000, and January-March 2001

Item	Calendar years			January-March	
	1998	1999	2000	2000	2001
	Quantity (short tons)				
U.S. shipments	645,817	568,840	670,919	174,892	130,604
U.S. imports from-- Covered sources:					
China	7,866	16,412	9,672	8,825	29
Germany	22,667	5,416	7,920	120	0
Japan	39,044	21,027	3,740	142	2,884
Korea	157,997	133,896	42,832	27,842	9,729
South Africa	6,685	10,712	4,181	157	0
Taiwan	4,457	9,108	13,543	4,346	201
Turkey	11,324	0	0	0	5,488
United Kingdom	4,202	2,460	2,503	53	1,811
Venezuela	0	1,588	4,483	36	3,386
All other covered	9,177	6,819	13,779	2,312	5,607
Subtotal covered	263,420	207,438	102,653	43,834	29,135
Non-covered sources:					
Canada	8,534	6,000	17,665	966	2,426
Mexico	48,180	53,995	56,747	15,674	14,606
Subtotal non-covered	56,715	59,996	74,412	16,640	17,031
Total U.S. imports	320,134	267,434	177,065	60,474	46,166
Apparent consumption	965,951	836,274	847,984	235,366	176,770
	Value (\$1,000)				
U.S. shipments	322,527	239,910	319,486	79,311	61,128
U.S. imports from-- Covered sources:					
China	3,077	4,880	3,066	2,775	15
Germany	11,923	2,977	4,073	84	0
Japan	22,107	9,150	1,691	75	1,344
Korea	65,595	43,788	17,089	10,478	3,623
South Africa	2,548	3,602	1,734	50	0
Taiwan	1,795	3,170	4,738	1,419	67
Turkey	4,623	0	0	0	1,993
United Kingdom	1,848	1,030	1,153	21	787
Venezuela	0	518	1,870	13	1,360
All other covered	3,674	2,371	5,136	738	2,046
Subtotal covered	117,190	71,486	40,549	15,654	11,233
Non-covered sources:					
Canada	4,988	3,006	8,695	478	1,281
Mexico	21,900	20,986	25,734	7,060	6,253
Subtotal non-covered	26,888	23,992	34,429	7,538	7,534
Total U.S. imports	144,079	95,479	74,978	23,192	18,767
Apparent consumption	466,606	335,389	394,464	102,503	79,896
Source: Compiled from data submitted in response to Commission questionnaires and from Commerce statistics.					

Table C-6
Welded line pipe: Apparent U.S. consumption (based on imports adjusted to exclude alloy pipe but not arctic-grade pipe), and market shares, 1998-2000, January-March 2000, and January-March 2001

Item	Calendar years			January-March	
	1998	1999	2000	2000	2001
	Quantity (short tons)				
Apparent consumption	965,951	836,274	847,984	235,366	176,770
	Value (\$1,000)				
Apparent consumption	466,606	335,389	394,464	102,503	79,895
	Share of quantity (percent)				
U.S. shipments	66.9	68.0	79.1	74.3	73.9
U.S. imports from-- Covered sources:					
China	0.8	2.0	1.1	3.7	0.0
Germany	2.3	0.6	0.9	0.1	0.0
Japan	4.0	2.5	0.4	0.1	1.6
Korea	16.4	16.0	5.1	11.8	5.5
South Africa	0.7	1.3	0.5	0.1	0.0
Taiwan	0.5	1.1	1.6	1.8	0.1
Turkey	1.2	0.0	0.0	0.0	3.1
U.K.	0.4	0.3	0.3	0.0	1.0
Venezuela	0.0	0.2	0.5	0.0	1.9
All others	1.0	0.8	1.6	1.0	3.2
Subtotal covered	27.3	24.8	12.1	18.6	16.5
Non-covered sources:					
Canada	0.9	0.7	2.1	0.4	1.4
Mexico	5.0	6.5	6.7	6.7	8.3
Subtotal non-covered	5.9	7.2	8.8	7.1	9.6
Total U.S. imports	33.1	32.0	20.9	25.7	26.1
	Share of value (percent)				
U.S. shipments	69.1	71.5	81.0	77.4	76.5
U.S. imports from-- Covered sources:					
China	0.7	1.5	0.8	2.7	0.0
Germany	2.6	0.9	1.0	0.1	0.0
Japan	4.7	2.7	0.4	0.1	1.7
Korea	14.1	13.1	4.3	10.2	4.5
South Africa	0.5	1.1	0.4	0.0	0.0
Taiwan	0.4	0.9	1.2	1.4	0.1
Turkey	1.0	0.0	0.0	0.0	2.5
U.K.	0.4	0.3	0.3	0.0	1.0
Venezuela	0.0	0.2	0.5	0.0	1.7
All others	0.8	0.7	1.3	0.7	2.6
Subtotal covered	25.1	21.3	10.3	15.3	14.1
Non-covered sources:					
Canada	1.1	0.9	2.2	0.5	1.6
Mexico	4.7	6.3	6.5	6.9	7.8
Subtotal non-covered	5.8	7.2	8.7	7.4	9.4
Total U.S. imports	30.9	28.5	19.0	22.6	23.5
¹ Less than 0.05 percent. ² Not applicable.					

Source: Compiled from data submitted in response to Commission questionnaires and from Commerce statistics.

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Table C-7

Welded line pipe: U.S. production, U.S. imports (adjusted to exclude alloy pipe but not arctic-grade pipe), by principal sources, and ratios of imports to production, 1998-2000, January-March 2000, and January-March 2001

Item	Calendar years			January-March	
	1998	1999	2000	2000	2001
	Quantity (short tons)				
U.S. production	697,629	595,744	798,147	207,025	158,989
U.S. imports from--					
Covered sources:					
China	7,866	16,412	9,672	8,825	29
Germany	22,667	5,416	7,920	120	0
Japan	39,044	21,027	3,740	142	2,884
Korea	157,997	133,896	42,832	27,842	9,729
South Africa	6,685	10,712	4,181	157	0
Taiwan	4,457	9,108	13,543	4,346	201
Turkey	11,324	0	0	0	5,488
U.K.	4,202	2,460	2,503	53	1,811
Venezuela	0	1,588	4,483	36	3,386
All others	9,177	6,819	13,779	2,312	5,607
Subtotal covered	263,420	207,438	102,653	43,834	29,135
Non-covered sources:					
Canada	8,534	6,000	17,665	966	2,426
Mexico	48,180	53,995	56,747	15,674	14,606
Subtotal non-covered	56,715	59,996	74,412	16,640	17,031
Total U.S. imports	320,134	267,434	177,065	60,474	46,166
	Ratio to U.S. production (percent)				
U.S. imports from--					
Covered sources:					
China	1.1	2.8	1.2	4.3	0.0
Germany	3.2	0.9	1.0	0.1	0.0
Japan	5.6	3.5	0.5	0.1	1.8
Korea	22.6	22.5	5.4	13.4	6.1
South Africa	1.0	1.8	0.5	0.1	0.0
Taiwan	0.6	1.5	1.7	2.1	0.1
Turkey	1.6	0.0	0.0	0.0	3.5
U.K.	0.6	0.4	0.3	0.0	1.1
Venezuela	0.0	0.3	0.6	0.0	2.1
All others	1.3	1.1	1.7	1.1	3.5
Subtotal covered	37.8	34.8	12.9	21.2	18.3
Non-covered sources:					
Canada	1.2	1.0	2.2	0.5	1.5
Mexico	6.9	9.1	7.1	7.6	9.2
Subtotal non-covered	8.1	10.1	9.3	8.0	10.7
Total U.S. imports	45.9	44.9	22.2	29.2	29.0
Source: Compiled from data submitted in response to Commission questionnaires and from Commerce statistics.					

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APPENDIX D
MONTHLY IMPORT STATISTICS

Table D-1
Welded line pipe: U.S. imports, by month and sources, January 1999 - March 2001

COUNTRY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Quantity (short tons)													
1999:													
COVERED SOURCES:													
China	1,002	0	319	9	599	1	2,302	1,085	2,728	21	3,106	5,241	16,412
Germany	17	0	0	11	0	57	0	0	450	0	4	4,877	5,416
Japan	6,372	99	180	69	1,005	83	55	12	0	9,738	614	2,800	21,027
Korea	21,294	11,344	9,363	6,662	15,557	19,792	14,974	7,857	7,801	4,623	6,269	8,360	133,896
South Africa	1,070	15	1,613	34	1,714	1,382	1,298	693	700	772	280	1,142	10,712
Taiwan	35	0	0	540	0	720	215	100	415	581	3,132	3,370	9,108
Turkey	0	0	0	0	0	0	0	0	0	0	0	0	0
United Kingdom	534	0	0	0	0	0	0	140	4	352	332	1,782	2,460
Venezuela	0	0	0	0	0	395	295	0	213	0	0	0	1,588
All other	4	2	0	807	0	1,953	468	449	392	1,251	750	743	6,819
SUBTOTAL COVERED	30,327	11,461	11,474	8,133	18,875	24,382	19,607	10,336	12,704	17,338	14,488	28,314	207,438
NON-COVERED SOURCES:													
Canada	730	55	459	343	597	673	460	712	298	523	722	430	6,000
Mexico	3,439	2,381	4,040	4,435	4,813	4,137	4,080	2,615	4,283	5,441	7,930	6,402	53,995
SUBTOTAL NON-COVERED	4,169	2,436	4,498	4,778	5,410	4,810	4,540	3,327	4,581	5,964	8,652	6,831	59,996
Total	34,496	13,897	15,973	12,910	24,285	29,192	24,147	13,662	17,284	23,302	23,139	35,145	267,434
2000:													
COVERED SOURCES:													
China	1,603	7,217	5	0	0	845	0	0	0	0	1	0	9,672
Germany	117	2	0	0	0	0	0	0	0	950	5,391	1,459	7,920
Japan	98	3	44	655	431	523	82	0	1,906	0	0	0	3,743
Korea	8,711	8,337	10,793	7,979	3,847	1,297	1,296	264	116	33	66	91	42,832
South Africa	0	0	157	46	555	53	513	369	0	2,252	236	0	4,181
Taiwan	1,874	1,830	642	4,655	1,772	97	1,371	258	879	0	165	0	13,543
Turkey	0	0	0	0	0	0	0	0	0	0	0	0	0
United Kingdom	53	0	0	0	748	0	0	482	0	277	0	933	2,503
Venezuela	0	36	0	0	0	0	0	233	651	33	3,092	439	4,483
All other	470	1,494	348	444	0	1,301	944	1,865	672	2,402	2,314	1,525	13,779
SUBTOTAL COVERED	12,928	18,919	11,990	13,780	7,352	4,117	4,207	3,481	4,223	5,947	11,265	4,447	102,656
NON-COVERED SOURCES:													
Canada	386	283	297	702	985	798	946	8,602	2,401	609	888	768	17,665
Mexico	5,311	5,250	5,113	2,431	4,852	6,476	7,255	6,854	3,533	3,719	3,288	2,663	56,747
SUBTOTAL NON-COVERED	5,697	5,533	5,410	3,133	5,837	7,274	8,201	15,456	5,934	4,328	4,177	3,432	74,412
Total	18,625	24,452	17,400	16,913	13,189	11,391	12,408	18,938	10,157	10,275	15,442	7,879	177,068
2001:													
COVERED SOURCES:													
China	29	0	0	0	0	0	0	0	0	0	0	0	29
Germany	0	0	0	0	0	0	0	0	0	0	0	0	0
Japan	2,715	169	0	0	0	0	0	0	0	0	0	0	2,884
Korea	58	50	9,620	0	0	0	0	0	0	0	0	0	9,729
South Africa	0	0	0	0	0	0	0	0	0	0	0	0	0
Taiwan	0	0	201	0	0	0	0	0	0	0	0	0	201
Turkey	5,488	0	0	0	0	0	0	0	0	0	0	0	5,488
United Kingdom	1,366	0	425	0	0	0	0	0	0	0	0	0	1,811
Venezuela	1,394	988	1,004	0	0	0	0	0	0	0	0	0	3,386
All other	1,522	2,097	1,968	0	0	0	0	0	0	0	0	0	5,607
SUBTOTAL COVERED	12,592	3,305	13,238	0	0	0	0	0	0	0	0	0	29,135
NON-COVERED SOURCES:													
Canada	642	328	1,456	0	0	0	0	0	0	0	0	0	2,426
Mexico	3,977	5,158	5,471	0	0	0	0	0	0	0	0	0	14,606
SUBTOTAL NON-COVERED	4,619	5,486	6,927	0	0	0	0	0	0	0	0	0	17,031
Total	17,210	8,791	20,165	0	0	0	0	0	0	0	0	0	46,166

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Table D-1--Continued
 Welded line pipe: U.S. imports, by month and sources, January 1999 - March 2001

COUNTRY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
LDP value (\$1,000)													
1999:													
COVERED SOURCES:													
China	319	0	89	5	162	3	631	305	816	19	904	1,626	4,880
Germany	17	0	0	11	0	285	0	7	268	0	41	2,348	2,977
Japan	2,608	40	95	29	397	30	26	5	0	4,434	342	1,166	9,173
Korea	7,220	3,762	3,112	2,111	4,923	6,305	4,790	2,551	2,531	1,518	2,128	2,838	43,788
South Africa	384	4	541	9	579	486	428	228	228	264	91	360	3,602
Taiwan	11	0	0	162	0	226	66	60	133	242	1,060	1,209	3,170
Turkey	0	0	0	0	0	0	0	0	0	0	0	0	0
United Kingdom	241	0	0	0	0	0	0	54	54	0	0	681	1,030
Venezuela	0	0	0	0	0	118	91	0	70	120	119	0	518
All other	3	15	0	270	3	630	241	164	129	410	250	255	2,371
SUBTOTAL COVERED	10,803	3,821	3,837	2,598	6,064	8,082	6,274	3,374	4,230	7,006	4,935	10,483	71,508
NON-COVERED SOURCES:													
Canada	303	33	233	174	244	463	226	338	145	264	354	230	3,006
Mexico	1,339	939	1,510	1,586	1,753	1,535	1,518	1,009	1,716	2,189	3,216	2,677	20,986
SUBTOTAL NON-COVERED	1,642	972	1,743	1,761	1,996	1,998	1,744	1,347	1,861	2,452	3,569	2,906	23,982
Total	12,445	4,793	5,581	4,359	8,060	10,080	8,018	4,721	6,092	9,459	8,504	13,389	95,501
Total	12,445	4,793	5,581	4,359	8,060	10,080	8,018	4,721	6,092	9,459	8,504	13,389	95,501
2000:													
COVERED SOURCES:													
China	416	2,346	13	0	0	279	0	0	0	0	11	0	3,066
Germany	62	21	0	0	0	0	0	0	0	517	2,768	714	4,073
Japan	82	5	19	301	169	212	41	0	892	0	0	0	1,702
Korea	3,121	3,254	4,104	3,482	1,683	599	564	121	51	19	38	44	17,089
South Africa	0	0	50	15	342	19	191	129	0	883	95	0	1,734
Taiwan	610	593	216	1,590	608	32	511	96	400	0	81	0	4,738
Turkey	0	0	0	0	0	0	0	0	0	0	0	0	0
United Kingdom	21	0	0	0	331	0	0	231	0	130	0	440	1,153
Venezuela	0	13	0	0	0	0	0	99	275	14	1,289	181	1,870
All other	171	470	98	161	0	338	430	636	302	902	975	654	5,136
SUBTOTAL COVERED	4,463	6,702	4,500	5,549	3,144	1,480	1,738	1,311	1,919	2,475	5,247	2,033	40,560
NON-COVERED SOURCES:													
Canada	176	142	161	393	527	462	442	3,683	1,395	460	467	387	8,695
Mexico	2,304	2,444	2,311	1,129	2,200	2,990	3,315	3,067	1,651	1,718	1,453	1,151	25,734
SUBTOTAL NON-COVERED	2,480	2,586	2,472	1,522	2,726	3,453	3,757	6,750	3,047	2,178	1,920	1,538	34,429
Total	6,944	9,288	6,972	7,071	5,870	4,932	5,494	8,061	4,965	4,653	7,167	3,571	74,989
Total	6,944	9,288	6,972	7,071	5,870	4,932	5,494	8,061	4,965	4,653	7,167	3,571	74,989
2001:													
COVERED SOURCES:													
China	15	0	0	0	0	0	0	0	0	0	0	0	15
Germany	0	0	0	0	0	0	0	0	0	0	0	0	0
Japan	1,268	76	0	0	0	0	0	0	0	0	0	0	1,344
Korea	30	19	3,574	0	0	0	0	0	0	0	0	0	3,623
South Africa	0	0	0	0	0	0	0	0	0	0	0	0	0
Taiwan	0	0	67	0	0	0	0	0	0	0	0	0	67
Turkey	1,993	0	0	0	0	0	0	0	0	0	0	0	1,993
United Kingdom	588	0	198	0	0	0	0	0	0	0	0	0	787
Venezuela	577	388	394	0	0	0	0	0	0	0	0	0	1,360
All other	567	748	730	0	0	0	0	0	0	0	0	0	2,046
SUBTOTAL COVERED	5,038	1,232	4,964	0	0	0	0	0	0	0	0	0	11,233
NON-COVERED SOURCES:													
Canada	332	166	782	0	0	0	0	0	0	0	0	0	1,281
Mexico	1,730	2,231	2,292	0	0	0	0	0	0	0	0	0	6,253
SUBTOTAL NON-COVERED	2,062	2,397	3,075	0	0	0	0	0	0	0	0	0	7,534
Total	7,100	3,629	8,038	0	0	0	0	0	0	0	0	0	18,767

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Table D-1--Continued
 Welded line pipe: U.S. imports, by month and sources, January 1989 - March 2001

COUNTRY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
LDP unit value (\$/short ton)													
1989:													
COVERED SOURCES:													
China	\$318.64		\$278.97	\$610.13	\$271.23	\$3,678.81	\$274.08	\$281.45	\$298.27	\$869.76	\$291.22	\$310.19	\$297.35
Germany	\$1,004.71			\$1,004.58		\$4,986.81		\$14,465.73	\$695.18		\$10,605.91	\$481.53	\$549.67
Japan	\$409.26	\$402.43	\$528.66	\$424.87	\$394.98	\$360.14	\$479.48	\$412.33	\$556.40	\$455.34	\$556.40	\$416.52	\$436.22
Korea	\$339.05	\$331.60	\$332.41	\$316.84	\$316.42	\$318.58	\$319.90	\$324.66	\$324.52	\$328.34	\$339.36	\$339.46	\$327.03
South Africa	\$358.83	\$272.94	\$335.58	\$273.77	\$337.63	\$351.61	\$329.84	\$328.54	\$325.54	\$341.43	\$325.47	\$315.17	\$336.26
Taiwan	\$327.71			\$299.67		\$313.87	\$309.35	\$601.82	\$320.98	\$417.35	\$338.32	\$358.65	\$348.05
Turkey													
United Kingdom	\$450.64							\$385.60	\$12,311.98			\$382.27	\$418.68
Venezuela						\$298.30	\$307.35		\$330.69	\$339.90	\$368.07		\$326.05
All other	\$745.80	\$8,292.64		\$334.97	\$9,837.75	\$322.68	\$515.13	\$364.85	\$328.27	\$327.85	\$333.40	\$343.22	\$347.65
SUBTOTAL COVERED	\$356.21	\$333.42	\$334.45	\$319.46	\$321.26	\$331.48	\$319.98	\$326.48	\$333.01	\$404.10	\$340.63	\$370.23	\$344.72
NON-COVERED SOURCES:													
Canada	\$415.10	\$591.17	\$508.70	\$508.56	\$408.39	\$688.38	\$490.67	\$474.11	\$487.96	\$504.54	\$490.11	\$534.66	\$500.99
Mexico	\$389.48	\$394.38	\$373.82	\$357.74	\$364.11	\$371.01	\$372.00	\$385.95	\$400.61	\$402.23	\$405.50	\$418.15	\$388.67
SUBTOTAL NON-COVERED	\$393.96	\$398.83	\$387.57	\$368.57	\$368.99	\$415.41	\$384.04	\$404.82	\$408.29	\$411.20	\$412.56	\$425.47	\$399.90
Average	\$360.77	\$344.88	\$349.41	\$337.64	\$331.90	\$345.31	\$332.02	\$345.55	\$352.43	\$405.92	\$367.53	\$380.97	\$357.10
2000:													
COVERED SOURCES:													
China	\$259.60	\$325.05	\$2,677.21			\$330.21					\$9,791.03		\$316.98
Germany	\$628.65	\$8,769.27								\$544.34		\$489.26	\$514.20
Japan	\$634.50	\$1,840.88	\$431.51	\$459.43	\$392.82	\$405.75	\$497.40		\$467.85				\$454.67
Korea	\$368.23	\$390.26	\$380.21	\$436.47	\$440.02	\$461.87	\$435.16	\$457.82	\$437.45	\$563.85	\$568.12	\$485.46	\$398.97
South Africa			\$315.42	\$318.06	\$617.03	\$356.94	\$372.55	\$348.80		\$396.54	\$403.35		\$414.60
Taiwan	\$325.33	\$324.25	\$337.04	\$341.47	\$343.20	\$333.43	\$372.64	\$373.61	\$455.18		\$491.49		\$349.83
Turkey													
United Kingdom	\$403.22				\$443.19			\$468.96					\$460.72
Venezuela		\$353.56						\$422.48	\$422.51	\$422.51	\$416.76	\$413.55	\$471.12
All other	\$363.72	\$314.32	\$280.94	\$362.84		\$259.85	\$456.03	\$341.01	\$449.02	\$375.63	\$421.28	\$428.73	\$372.78
SUBTOTAL COVERED	\$345.26	\$354.23	\$375.29	\$402.70	\$427.60	\$359.49	\$413.05	\$376.58	\$454.40	\$416.18	\$465.75	\$457.15	\$395.10
NON-COVERED SOURCES:													
Canada	\$455.90	\$500.78	\$540.38	\$560.33	\$534.59	\$579.11	\$467.61	\$428.12	\$581.07	\$756.00	\$525.78	\$503.93	\$492.20
Mexico	\$433.88	\$465.58	\$452.05	\$464.35	\$453.35	\$461.77	\$456.84	\$447.54	\$467.35	\$461.77	\$441.97	\$432.19	\$453.49
SUBTOTAL NON-COVERED	\$435.37	\$467.38	\$456.90	\$485.85	\$467.06	\$474.64	\$458.08	\$436.73	\$513.37	\$503.17	\$459.80	\$448.25	\$462.68
Average	\$372.82	\$379.83	\$400.66	\$418.10	\$445.07	\$433.02	\$442.82	\$425.67	\$488.85	\$452.82	\$464.14	\$453.27	\$423.50
2001:													
COVERED SOURCES:													
China	\$499.32												\$499.32
Germany													
Japan	\$467.20	\$449.46											\$466.16
Korea	\$507.10	\$377.95	\$371.52										\$372.37
South Africa													
Taiwan													
Turkey	\$363.05												\$332.98
United Kingdom	\$424.57												\$363.05
Venezuela	\$414.05	\$392.88	\$392.83										\$434.35
All other	\$372.67	\$356.89	\$367.38										\$401.58
SUBTOTAL COVERED	\$400.07	\$372.72	\$374.98										\$364.89
NON-COVERED SOURCES:													
Canada	\$517.08	\$508.05	\$537.25										\$527.97
Mexico	\$435.15	\$432.43	\$418.96										\$428.13
SUBTOTAL NON-COVERED	\$446.53	\$436.95	\$443.83										\$442.35
Average	\$412.54	\$412.80	\$398.63										\$406.51

Source: USDOC (HTS 7306.10.10, 7306.10.50).

**Table D-2
Standard pipe: U.S. imports, by month and sources, January 1998 - March 2001**

SOURCE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Quantity (short tons)													
1998:													
Korea	12,611	7,781	12,740	11,596	16,947	18,407	17,220	12,230	11,450	24,084	13,737	16,124	174,928
Thailand	5,817	0	6,617	0	7,287	2,479	0	5,849	0	0	0	0	28,049
Taiwan	4,357	5,481	1,055	4,193	1,231	6,864	5,897	2,044	2,858	4,458	1,143	1,426	41,008
China	4,916	2,460	22,789	7,099	12,201	7,201	8,027	7,924	4,637	13,320	3,975	2,695	97,246
Canada	18,599	23,701	25,082	23,392	23,308	24,233	20,481	20,976	26,845	26,108	23,589	18,189	274,502
Mexico	522	1,017	819	1,542	1,262	2,332	1,931	1,138	1,937	1,425	1,221	1,135	16,283
All other	6,576	13,301	19,646	15,970	20,605	24,808	15,312	20,359	21,150	17,061	9,214	19,792	203,797
Total	53,400	53,742	88,748	63,792	82,842	86,326	68,868	70,520	68,877	86,457	52,880	59,362	835,813
1999:													
Korea	18,153	16,083	19,010	7,506	15,906	16,573	10,935	10,090	15,552	15,648	14,816	11,748	172,021
Thailand	0	0	0	3,093	12,178	5,913	3,900	8,346	1,821	3,913	0	9,011	48,175
Taiwan	6,462	826	3,840	3,817	2,335	2,433	1,555	8,017	1,506	2,118	11,747	3,631	48,286
China	9,978	4,395	2,364	10,428	3,555	3,736	983	10,182	8,055	7,508	12,547	1,609	75,340
Canada	19,113	21,900	25,569	24,246	23,455	26,665	21,337	24,581	24,387	25,471	26,183	27,334	290,241
Mexico	1,524	1,613	2,396	1,745	1,539	3,246	3,187	2,184	2,439	1,955	1,516	2,245	25,590
All other	10,221	15,071	8,183	11,612	11,982	19,849	15,315	13,796	10,895	15,430	14,575	13,874	160,802
Total	65,450	59,887	61,364	62,446	70,950	78,414	57,213	77,196	64,655	72,043	81,384	69,453	820,455
2000:													
Korea	14,389	12,692	12,632	16,629	22,003	41,040	18,273	29,336	11,419	24,503	24,859	14,340	242,115
Thailand	6,887	6,412	11,337	7,417	26,078	0	7,023	3,373	8,717	9,258	2,007	9,159	97,669
Taiwan	5,654	7,372	1,728	1,095	8,575	4,199	4,474	4,133	3,024	4,512	4,640	3,442	52,846
China	9,499	8,784	10,047	4,613	19,912	6,564	21,766	30,968	7,702	23,311	13,120	7,579	163,866
Canada	27,406	30,540	33,961	33,160	32,964	29,838	28,525	32,683	28,016	29,558	30,399	25,997	363,049
Mexico	1,792	2,638	2,229	2,168	2,361	3,151	2,564	2,409	1,504	2,926	4,737	2,050	30,528
All other	18,811	26,525	23,003	15,207	24,213	25,761	26,298	22,580	18,147	21,173	22,107	30,279	274,102
Total	84,438	94,963	94,938	80,290	136,106	110,553	108,923	125,480	78,528	115,241	101,868	92,847	1,224,176
2001:													
Korea	16,623	14,755	17,874										49,252
Thailand	3,926	978	6,073										10,977
Taiwan	4,631	3,452	2,174										10,257
China	14,419	16,654	27,646										58,718
Canada	28,998	30,920	32,749										92,667
Mexico	3,133	1,960	3,034										8,126
All other	19,462	11,877	16,531										47,871
Total	91,192	80,596	106,080										277,868

--TABLE CONTINUED ON NEXT PAGE.

Table D-2--Continued
Standard pipe: U.S. imports, by month and sources, January 1998 - March 2001

SOURCE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
LDP value (\$1,000)													
1998:													
Korea	5,858	3,814	6,204	5,474	8,169	8,536	7,974	5,517	5,038	10,499	5,930	6,690	79,703
Thailand	0	0	0	0	0	5	0	0	0	0	0	0	5
Taiwan	2,085	2,592	535	1,780	584	2,993	2,598	926	1,213	1,725	536	577	18,144
China	2,475	1,437	10,575	3,458	5,784	3,598	3,695	3,690	2,079	5,853	1,858	1,308	45,810
Canada	12,508	15,199	16,419	15,252	14,821	16,135	12,504	13,812	16,380	16,222	14,708	11,530	175,490
Mexico	203	578	444	792	655	1,158	935	643	952	737	624	541	8,262
All other	7,363	7,460	13,985	10,207	16,395	14,430	8,142	13,966	10,193	9,786	5,112	9,795	126,834
Total	30,492	31,080	48,162	36,963	46,408	46,855	35,848	38,554	35,855	44,822	28,768	30,441	454,248
1999:													
Korea	7,793	6,326	7,811	3,118	6,349	6,623	4,424	3,947	6,266	6,173	6,118	4,715	69,663
Thailand	0	0	0	1,340	5,175	2,580	1,588	3,475	740	1,482	0	3,634	20,014
Taiwan	2,672	310	1,425	1,368	827	909	545	2,726	571	756	4,483	1,332	17,924
China	4,048	2,004	1,066	3,961	1,431	1,692	452	4,371	2,864	2,602	5,101	729	30,321
Canada	12,597	14,117	16,314	14,713	14,914	16,648	12,404	14,871	14,545	16,157	15,634	15,116	178,030
Mexico	738	677	1,102	860	754	1,439	1,515	1,171	1,455	1,166	1,014	1,358	13,249
All other	6,178	7,257	5,759	6,629	6,726	9,862	7,640	7,637	5,889	7,839	8,048	7,414	86,878
Total	34,026	30,691	33,477	31,989	36,176	39,753	28,568	38,198	32,330	36,175	40,398	34,298	416,079
2000:													
Korea	5,945	5,456	5,486	7,007	8,279	17,061	7,642	12,707	4,951	10,422	10,400	6,065	101,421
Thailand	2,781	2,846	4,858	3,129	11,623	0	3,180	1,560	4,019	4,233	943	4,049	43,221
Taiwan	2,128	2,845	715	451	3,662	1,742	2,007	1,744	1,252	2,017	1,912	1,446	21,921
China	3,615	3,839	4,130	1,887	7,418	2,825	9,266	12,919	3,345	9,770	5,687	3,476	68,177
Canada	16,132	17,784	20,051	19,202	19,849	19,214	16,830	20,818	18,088	17,704	17,145	14,466	217,283
Mexico	1,145	1,656	1,430	1,285	1,504	1,722	1,876	1,441	1,015	1,384	1,928	910	17,296
All other	9,632	12,130	10,892	8,530	13,337	12,635	12,799	12,273	10,070	12,277	13,870	16,076	144,521
Total	41,378	46,556	47,562	41,491	65,672	55,199	53,600	63,462	42,740	57,807	51,885	46,488	613,840
2001:													
Korea	6,660	6,097	7,203										19,960
Thailand	1,880	455	3,837										6,172
Taiwan	1,780	1,380	782										3,942
China	5,620	7,130	12,134										24,884
Canada	16,071	16,112	16,862										49,045
Mexico	1,346	822	1,236										3,404
All other	11,302	7,262	9,170										27,734
Total	44,659	39,258	51,224	48,802	49,779	0	0	0	0	0	0	0	233,722

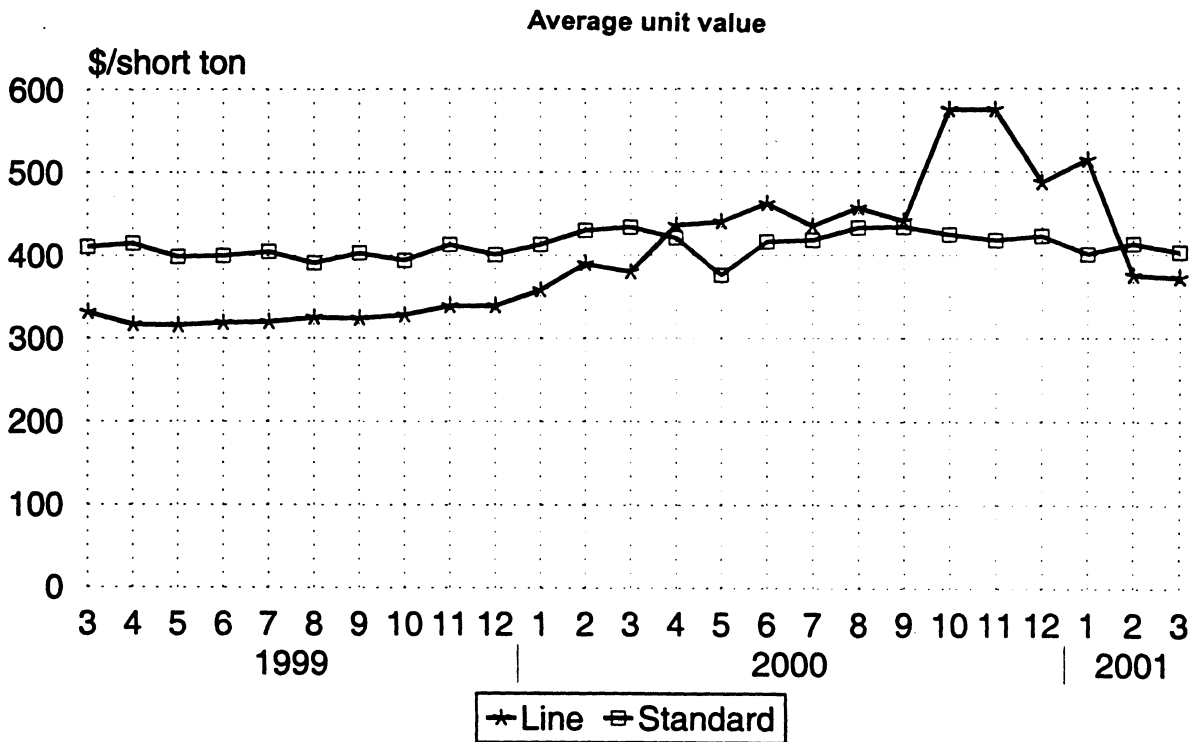
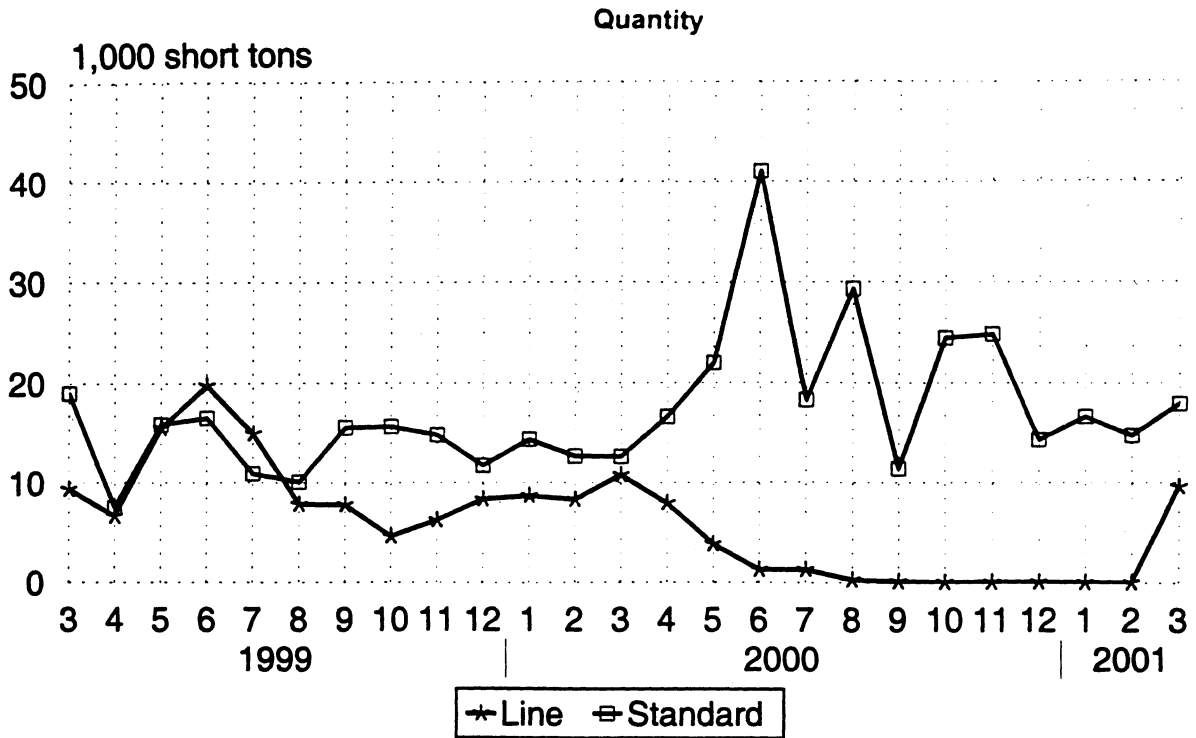
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Table D-2--Continued
Standard pipe: U.S. imports, by month and sources, January 1998 - March 2001

SOURCE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
LDP unit value (\$/short ton)													
1998:													
Korea	464	490	487	472	482	464	463	451	440	436	432	415	456
Thailand	0	ERR	0	ERR	0	2	ERR	0	ERR	ERR	ERR	ERR	0
Taiwan	478	473	507	425	474	436	441	453	424	387	469	405	442
China	503	584	464	487	474	500	460	466	448	439	467	485	471
Canada	673	641	655	652	636	666	611	658	610	621	624	634	639
Mexico	389	568	542	514	519	496	484	565	492	517	511	476	507
All other	1,120	561	712	639	796	582	532	686	482	574	555	495	622
Average	571	578	543	579	560	543	521	547	521	518	544	513	543
1999:													
Korea	429	393	411	415	399	400	405	391	403	394	413	401	405
Thailand	ERR	ERR	ERR	433	425	436	407	416	406	379	ERR	403	415
Taiwan	414	375	371	358	354	374	350	340	379	357	382	367	371
China	406	456	451	380	403	453	460	429	356	347	407	453	402
Canada	659	645	638	607	636	624	581	605	596	634	597	553	613
Mexico	484	420	460	493	490	443	475	536	596	596	669	605	518
All other	604	482	704	571	561	497	499	554	541	508	552	534	540
Average	520	512	546	512	510	507	499	495	500	502	496	494	507
2000:													
Korea	413	430	434	421	376	416	418	433	434	425	418	423	419
Thailand	404	444	429	422	446	ERR	453	462	461	457	470	442	443
Taiwan	376	386	414	412	427	415	449	422	414	447	412	420	415
China	381	437	411	409	373	430	426	417	434	419	433	459	416
Canada	589	582	590	579	602	644	590	637	646	599	564	556	598
Mexico	639	628	642	593	637	546	732	598	675	473	407	444	567
All other	512	457	474	561	551	490	487	544	555	580	627	531	527
Average	490	490	501	517	483	499	492	506	544	502	509	501	501
2001:													
Korea	401	413	403										405
Thailand	479	465	632										562
Taiwan	384	400	360										384
China	390	428	439										424
Canada	554	521	515										529
Mexico	430	419	407										419
All other	581	611	555										579
Average	490	487	483										841

Source: USDOC (HTS 7306.30.10, 7306.30.50).

Figure D-1
Welded pipe: Monthly imports from Korea, March 1999-March 2001



Source: Tables D-1 and D-2.

APPENDIX E

**COMPANY-SPECIFIC DATA REGARDING
EFFORTS TO COMPETE**

Table E-1

Welded line pipe: U.S. producers' adjustment efforts, by types and firms

* * * * *

Table E-2

Welded line pipe: U.S. producers' adjustment efforts, by firms and types

* * * * *

APPENDIX F

**ACTUAL EFFECTS OF IMPORTS ON THE DOMESTIC INDUSTRY
SINCE IMPOSITION OF THE IMPORT RELIEF ACTION**

The Commission requested U.S. producers to describe any actual negative effects since March 1, 2000 on their return on investment or their growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or the scale of capital investments as a result of imports of circular welded line pipe. The U.S. producers' responses are provided below.

- *** Provided no response.
- *** Stated no actual negative effect.
- *** Stated yes that it has experienced actual negative effects: cancellation or rejection of expansion projects; denial or rejection of investment proposal; reduction in the size of capital investments; rejection of bank loans; lowering of credit rating; problem related to the issue of stocks or bonds. "The company continues to restrict capital spending to a limited amount of maintenance due to conditions prior to 3/1/00 and the slight improvement in the market since then. Banks are very cautious of the steel industry and lending amendments have been required due to the weak market. The company, ***, has no present access to capital markets. Investment proposals have been put on hold and credit ratings have not improved."
- *** Stated no actual negative effect.
- *** Stated no actual negative effect.
- *** Stated yes that it has experienced actual negative effects. "No expansion projects contemplated due to the state of business as a result of the high levels of imported line pipe. Capital investments are minimal with a number of capital projects placed on the back burner."
- *** Stated yes that it has experienced actual negative effects: denial or rejection of investment proposal; reduction in the size of capital investments.
- *** Stated yes that it has experienced actual negative effects: reduction in the size of capital investments.
- *** Stated yes that it has experienced actual negative effects: reduction in the size of capital investments.
- *** Stated yes that it has experienced actual negative effects: reduction in the size of capital investments. Also stated that "{b}orrowing costs increased as a result of losses."
- *** Stated yes that it has experienced actual negative effects: reduction in the size of capital investments.
- *** Provided no response.

APPENDIX G

**INDICES OF THE NOMINAL AND REAL EXCHANGE RATES OF
SELECTED COUNTRIES RELATIVE TO THE U.S. DOLLAR**

Figure G-1
Exchange rates: Indices of the nominal and real exchange rates of selected currencies relative to the U.S. dollar, first quarter 1998-first quarter 2001

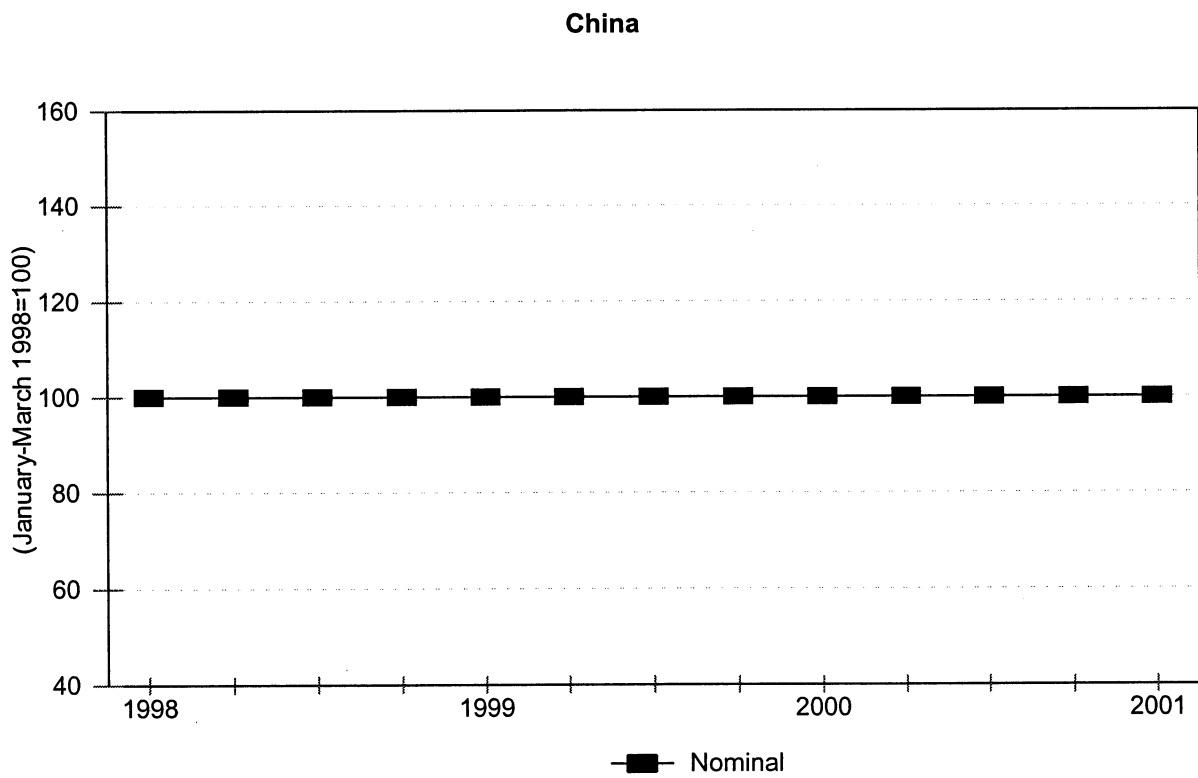
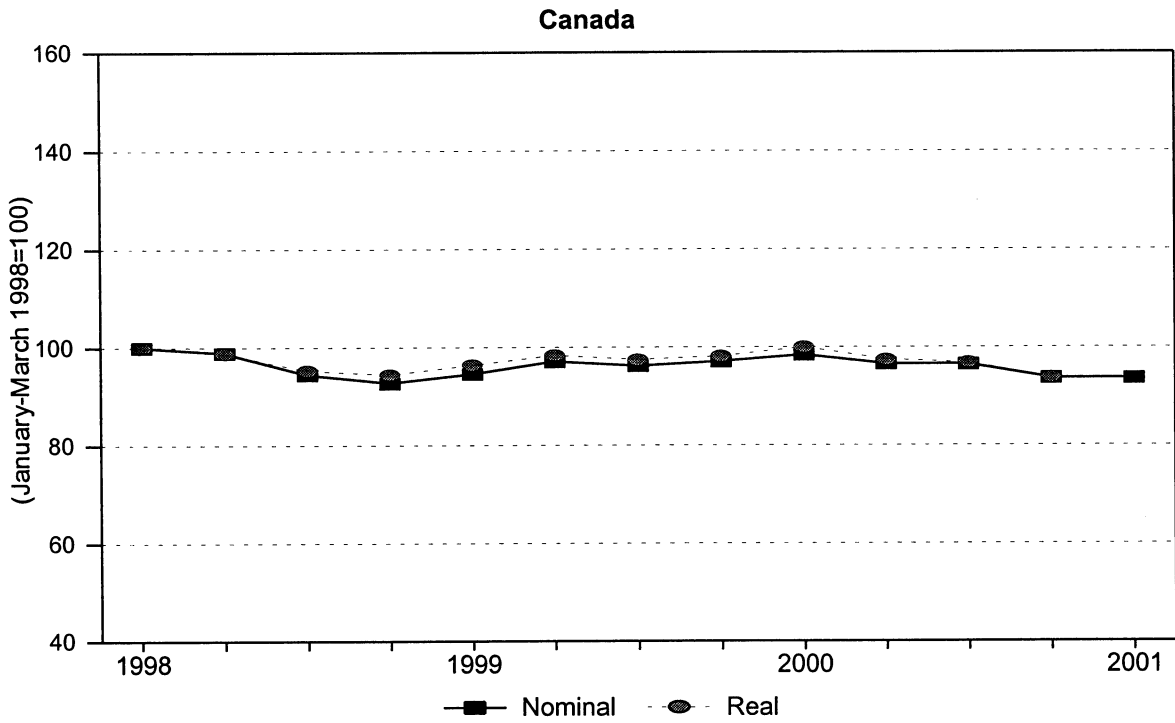


Figure G-1—Continued

Exchange rates: Indices of the nominal and real exchange rates of selected currencies relative to the U.S. dollar, first quarter 1998—first quarter 2001

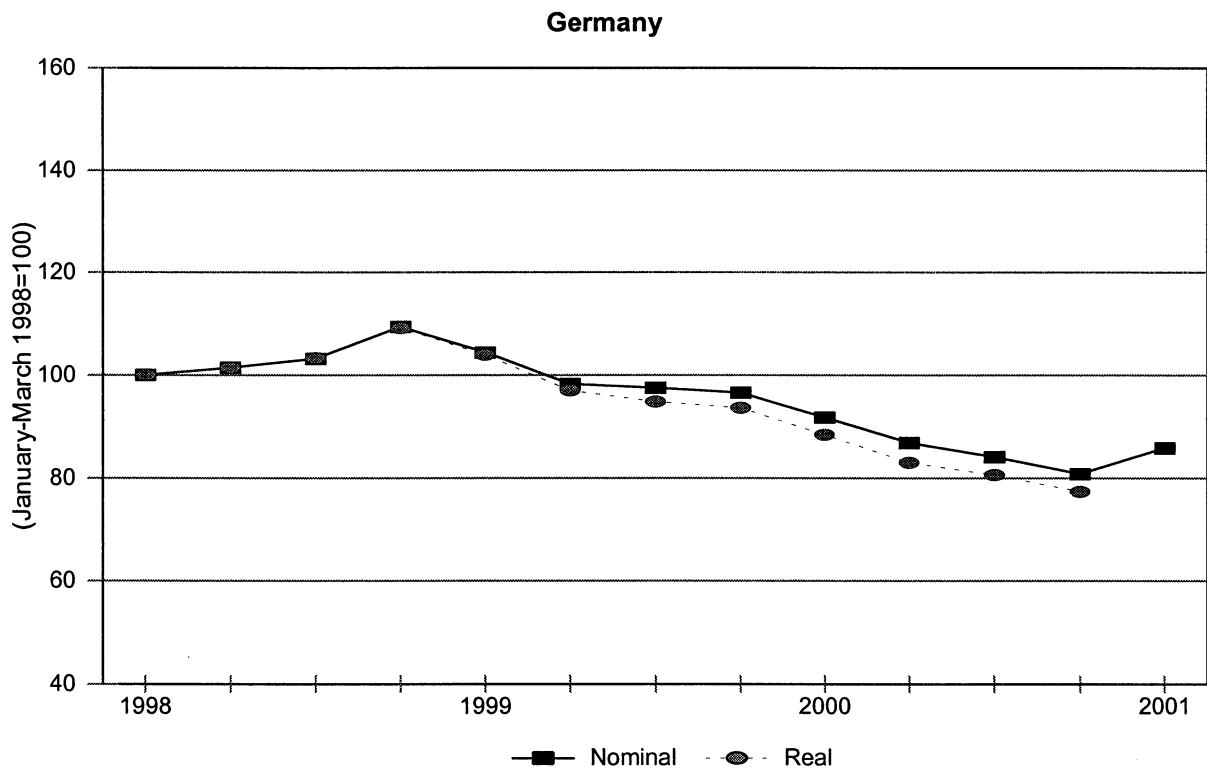
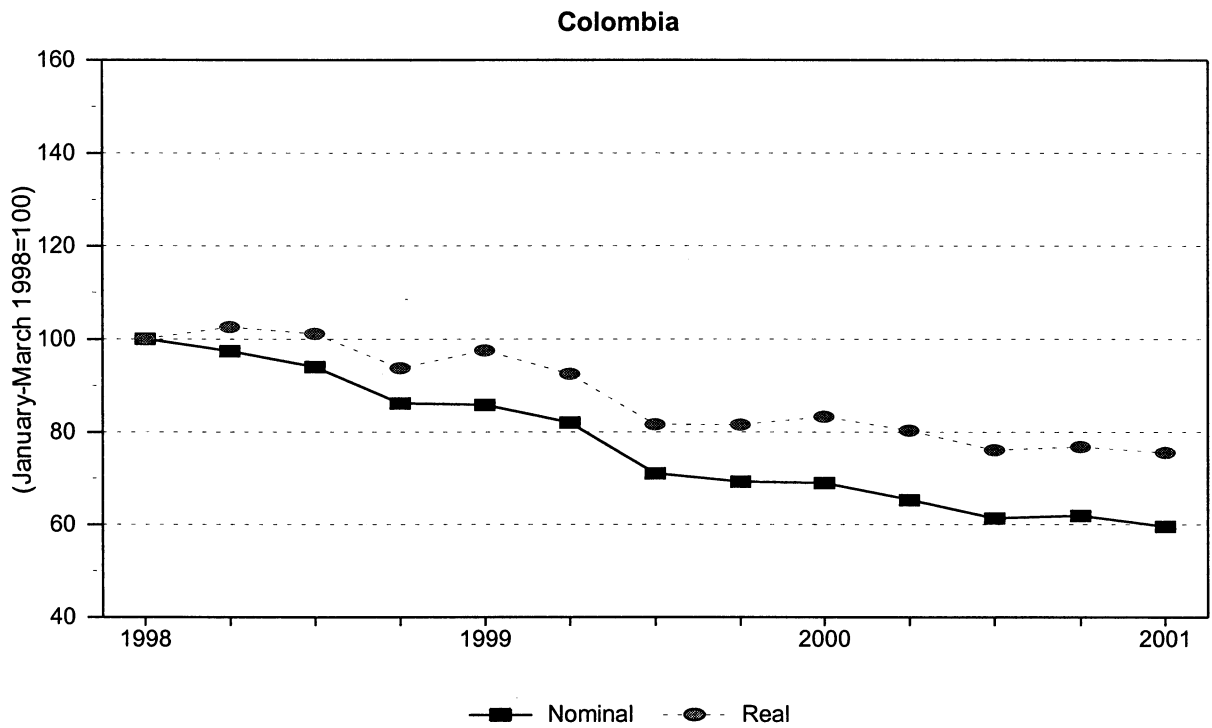


Figure G-1-Continued

Exchange rates: Indices of the nominal and real exchange rates of selected currencies relative to the U.S. dollar, first quarter 1998-first quarter 2001

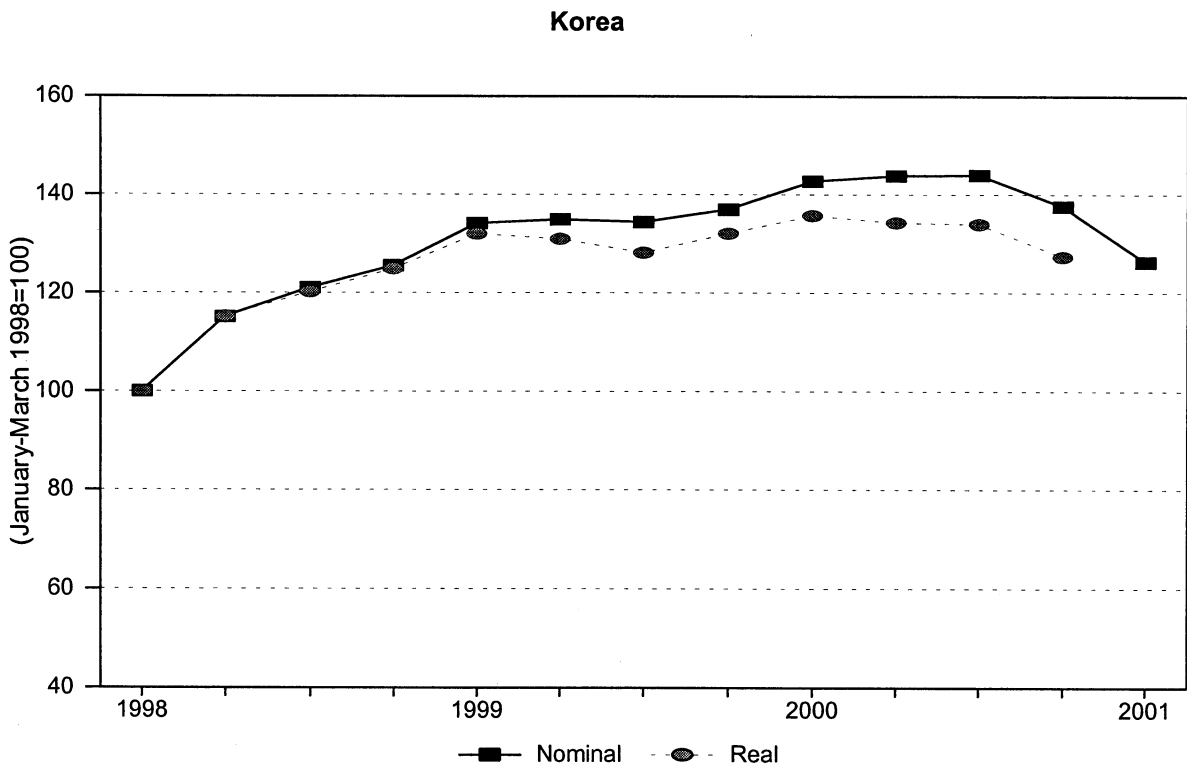
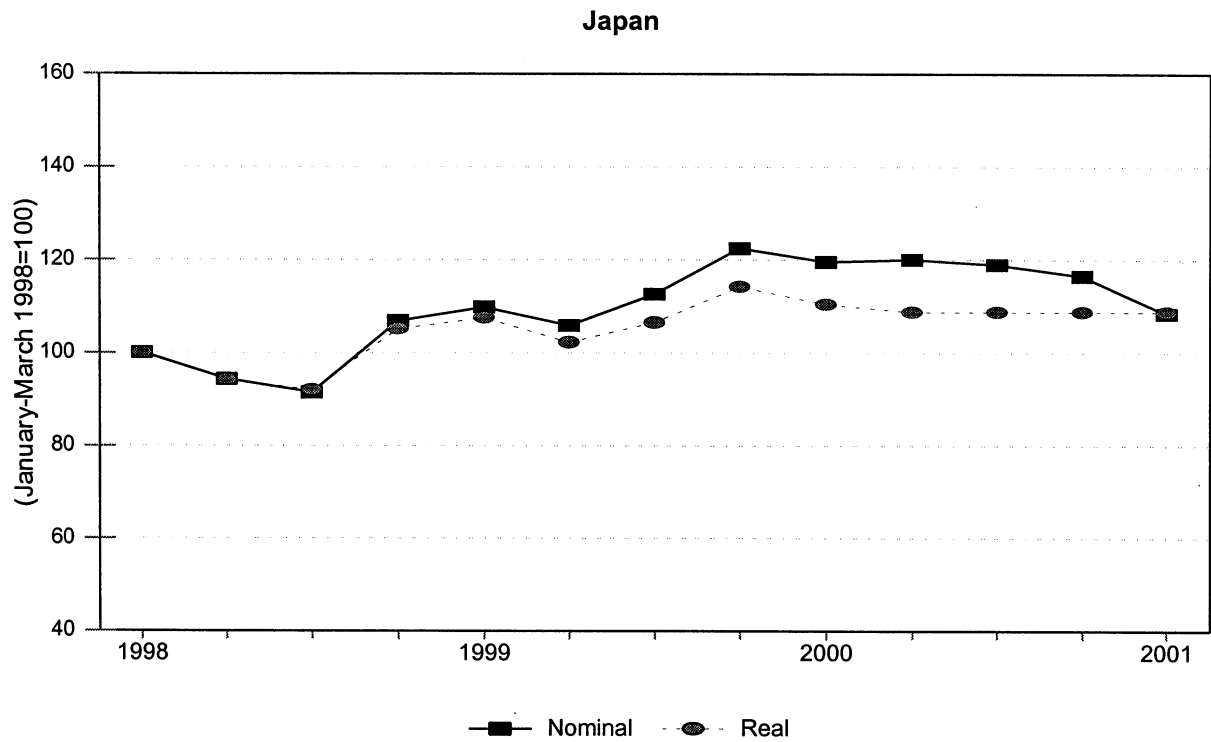
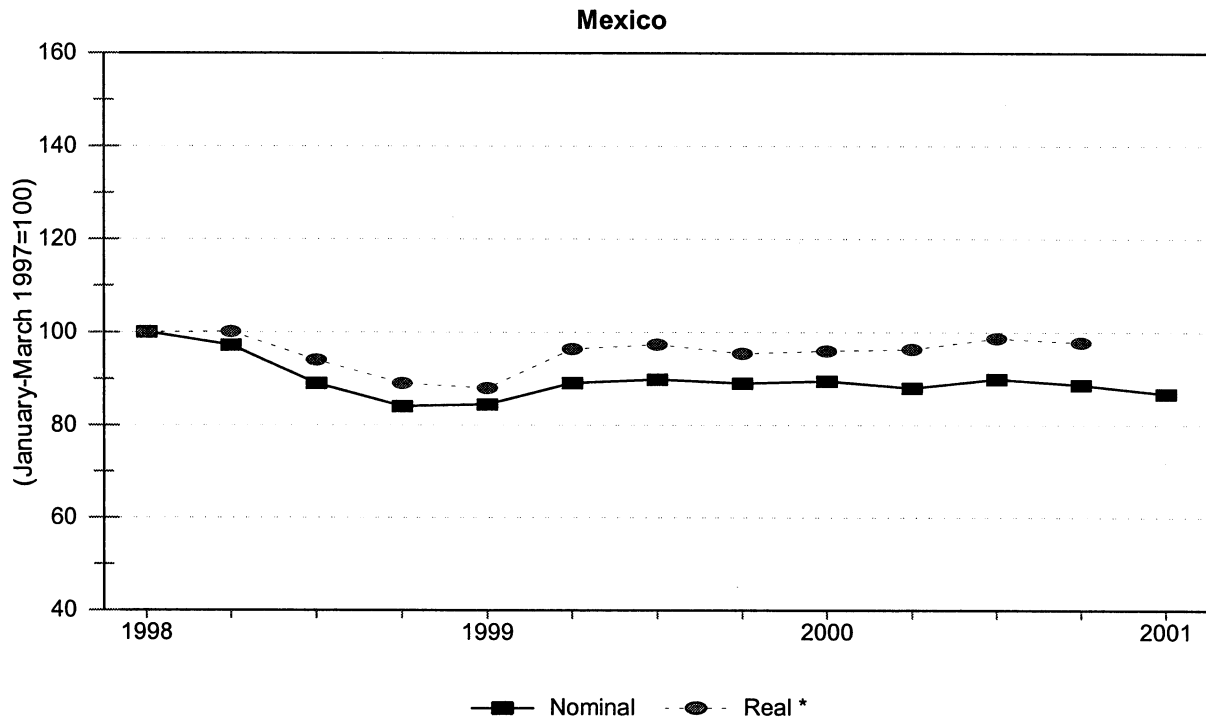


Figure G-1—Continued

Exchange rates: Indices of the nominal and real exchange rates of selected currencies relative to the U.S. dollar, first quarter 1998–first quarter 2001



Note: Real exchange rate of the Mexican peso relative to the U.S. dollar based on Mexican index of industrial prices

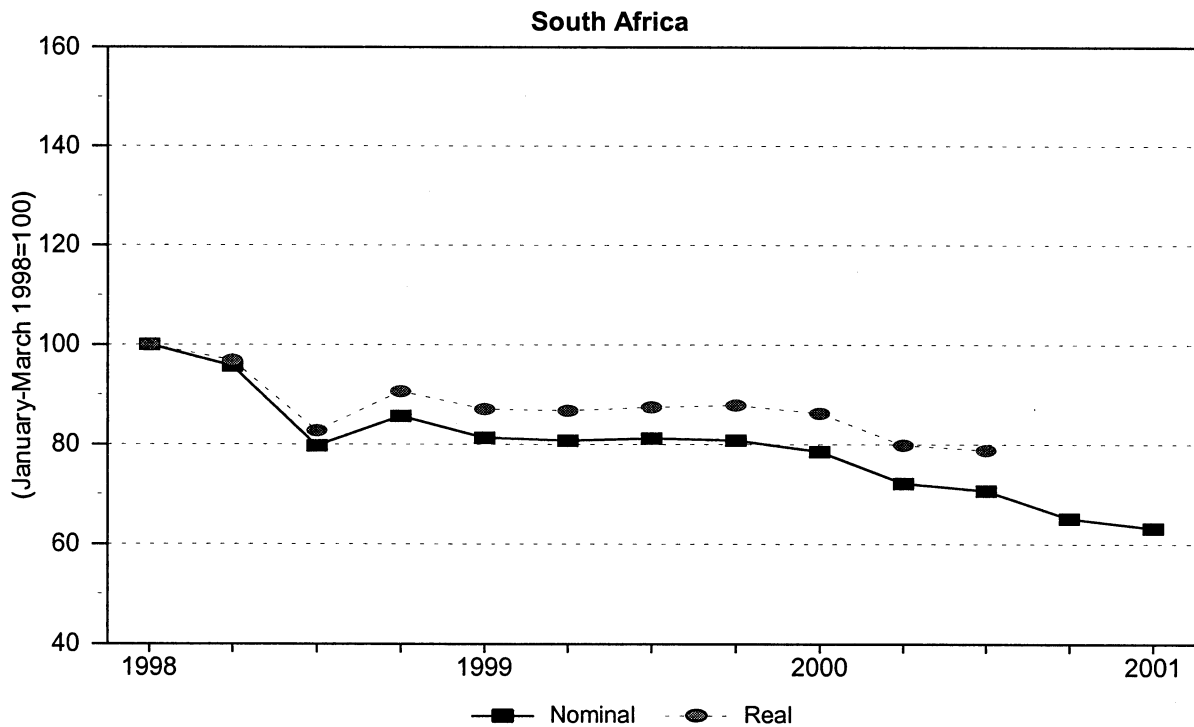


Figure G-1—Continued
Exchange rates: Indices of the nominal and real exchange rates of selected currencies relative to the U.S. dollar, first quarter 1998–first quarter 2001

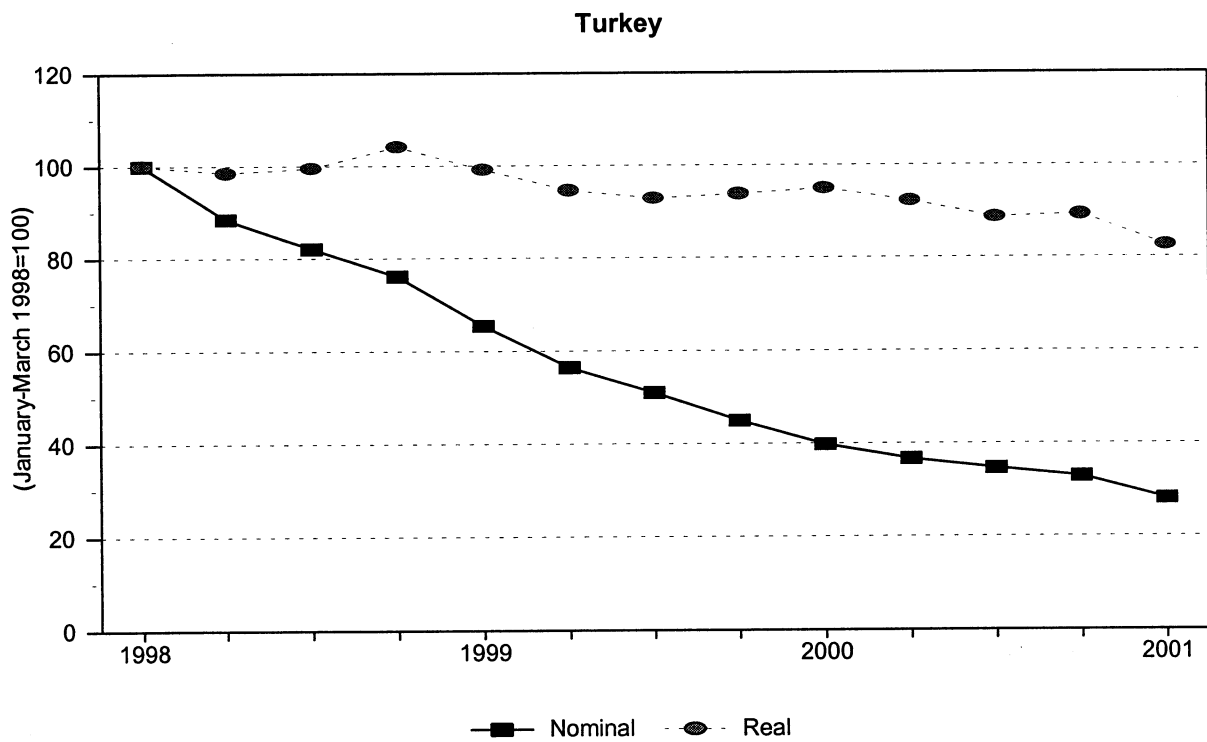
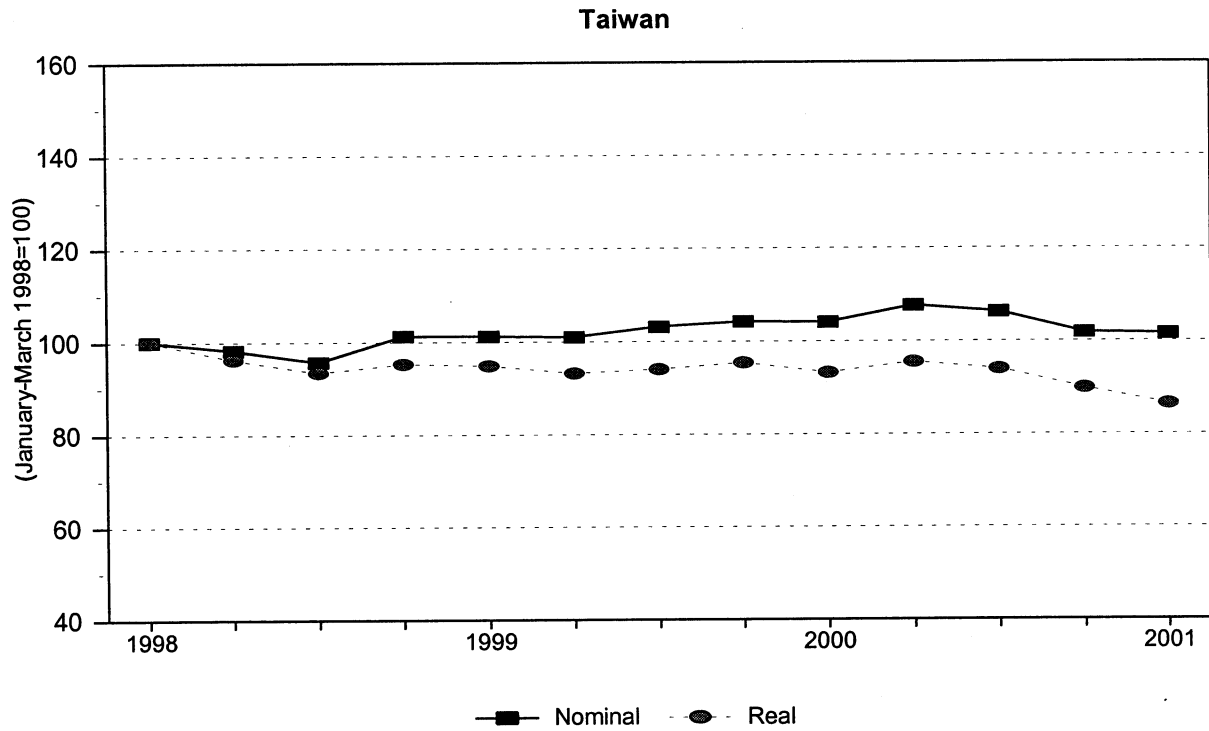
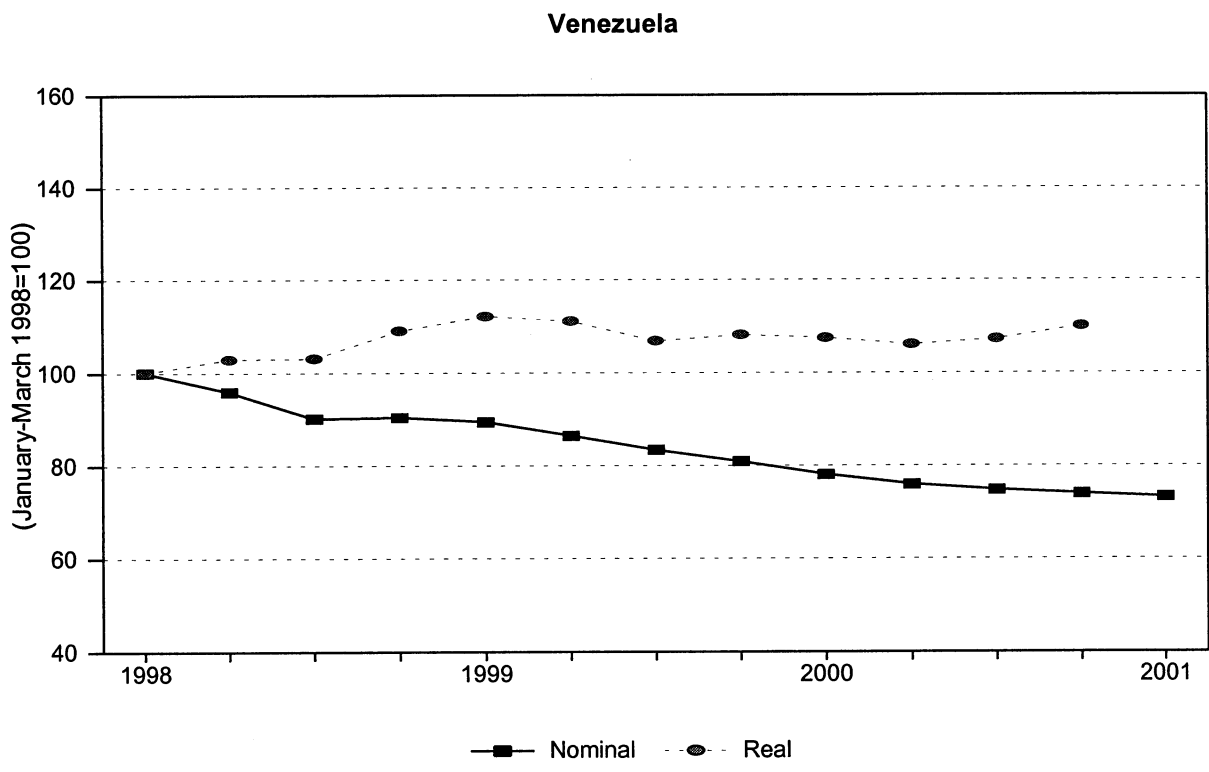
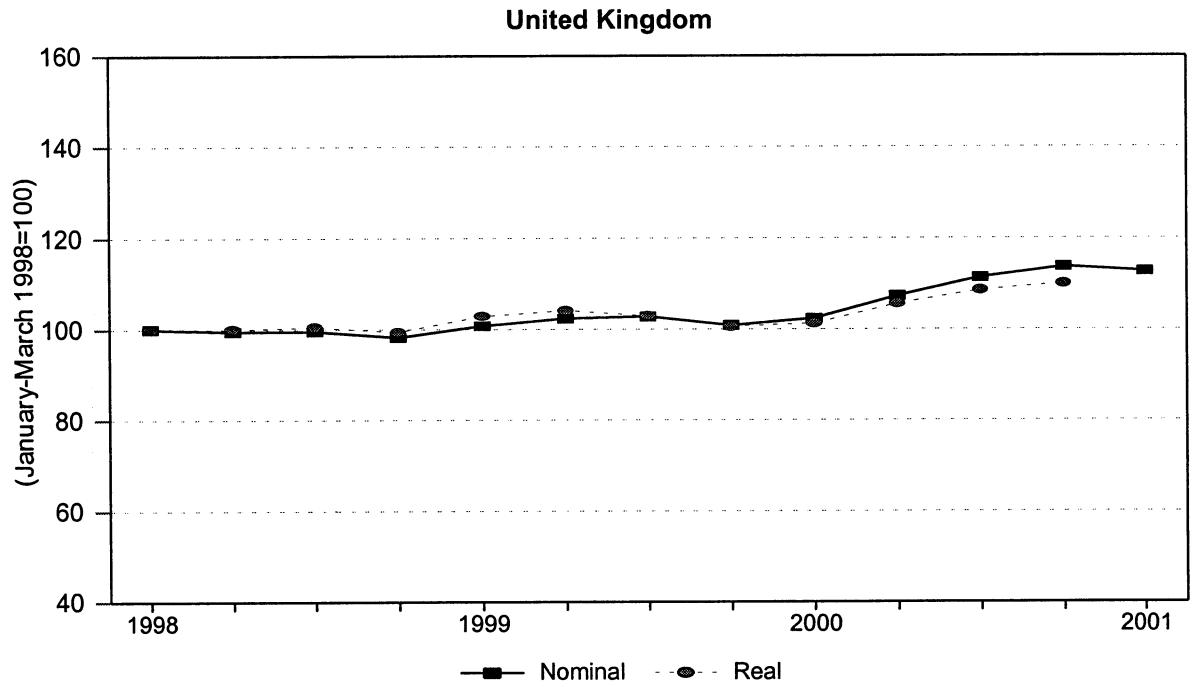


Figure G-1-Continued

Exchange rates: Indices of the nominal and real exchange rates of selected currencies relative to the U.S. dollar, first quarter 1998-first quarter 2001



Source: International Monetary Fund, *International Financial Statistics*, May 2001, and Central Bank of China <http://www.cbc.gov.tw/economic/statistics/fs/index.htm>.

APPENDIX H

**U.S. SALES OF LINE PIPE PRODUCTS FROM
INDIVIDUAL COUNTRIES**

Table H-1

Welded line pipe: Quantities and weighted-average f.o.b. selling prices for product 1 reported by U.S. producers and importers of line pipe from covered sources, with margins of under/(over)selling, by quarters, January 1998-March 2001

* * * * *

Table H-2

Welded line pipe: Quantities and weighted-average f.o.b. selling prices for product 2 reported by U.S. producers and importers of line pipe from covered sources, with margins of under/(over)selling, by quarters, January 1998-March 2001

* * * * *

Table H-3

Welded line pipe: Quantities and weighted-average f.o.b. selling prices for product 3 reported by U.S. producers and importers of line pipe from covered sources, with margins of under/(over)selling, by quarters, January 1998-March 2001

* * * * *

Table H-4

Welded line pipe: Quantities and weighted-average f.o.b. selling prices for product 4 reported by U.S. producers and importers of line pipe from covered sources, with margins of under/(over)selling, by quarters, January 1998-March 2001

* * * * *

Table H-5

Welded line pipe: Quantities and weighted-average f.o.b. selling prices for product 5 reported by U.S. producers and importers of line pipe from covered sources, with margins of under/(over)selling, by quarters, January 1998-March 2001

* * * * *

Table H-6

Welded line pipe: Quantities and weighted-average f.o.b. selling prices for product 6 reported by U.S. producers and importers of line pipe from covered sources, with margins of under/(over)selling, by quarters, January 1998-March 2001

* * * * *